

DOCUMENT RESUME

ED 345 040

CE 061 127

TITLE Minnesota Consumer Education Program. "Consumers of the 90s."

INSTITUTION Minnesota Council on Economic Education, Minneapolis.; Minnesota State Office of the Attorney General, St. Paul.

PUB DATE 91

NOTE 167p.; Newspaper articles will not reproduce well.

AVAILABLE FROM Minnesota Council on Economic Education, 1169 Management and Economics Bldg., University of Minnesota, 871 19th Avenue South, Minneapolis, MN 55455 (single copies free).

PUB TYPE Guides - Classroom Use - Teaching Guides (For Teacher) (052)

EDRS PRICE MF01/PC07 Plus Postage.

DESCRIPTORS Business Education; Competency Based Education; Consumer Economics; *Consumer Education; *Consumer Protection; Economics Education; *Environmental Education; Environmental Influences; Home Economics Education; *Housing; Landlords; Legal Responsibility; Money Management; Purchasing; Social Studies; Teaching Guides; *Transportation; Utilities

IDENTIFIERS *Minnesota

ABSTRACT

This teacher's guide on consumer literacy for grades 9-12 is designed for use in the following subject areas: business education, consumer law, economics, home economics, and social studies. Four units are included: (1) consumer decision making--consumer law and protection; (2) major shopping areas--transportation dilemma; (3) housing; and (4) consumers and the environment--an "environmentally friendly" consumer. Each unit contains the following sections: unit learner outcomes; competencies addressed; materials; economic concepts; notes to teachers; grade level, subject areas, time, and procedures; unit assessment; handout(s); visual(s); case studies; and article(s). Ten brochures from the Minnesota Attorney General's Office accompany the four units: buying a new car; collection agencies; constructive complaining; the "environmentally friendly" consumer; home solicitation sales; landlords and tenants--rights and responsibilities; Minnesota's "lemon law"; Minnesota's used care warrantly law; pyramid schemes; and utility shutoffs. A related "materials lending library catalog" is appended. (NLA)

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MINNESOTA CONSUMER EDUCATION PROGRAM

"CONSUMERS OF THE 90S"

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HUBERT H. HUMPHREY, III

in cooperation with the MINNESOTA COUNCIL ON ECONOMIC EDUCATION

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MINNESOTA CONSUMER EDUCATION PROGRAM

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INTRODUCTION

Consumers of the 90s has been developed for classroom use in grades 9-12. The joint venture of the *Minnesota Office of the Attorney General* and the *Minnesota Council on Economic Education* has as its primary objective:

"Consumer Literacy for High School Students"

This teacher's guide is designed for use in the subject areas of:

Business Education
Consumer Law
Economics
Home Economics
Social Studies

The four units were designed to accompany the brochures written by the *Minnesota Attorney General's Office Consumer Division*.

The units have been written in terms of learner outcomes and competency statements as introduced by the Minnesota State Department of Education. The *MCEE* encourages the use of all the units in order, although some may be used freestanding.

Additional information about this program may be obtained by calling the *Minnesota Council on Economic Education* at:

(612) 625-4833

If you would like to invite speakers to your classroom to make a presentation on a related consumer topic, *Business Education and Economics Foundation (BEEF)*, (612) 337-5252 can offer assistance with their speakers bureau.

To order consumer information brochures to teach the units included in this teacher's guide, please use the order form on the following page.

HUBERT H. HUMPHREY, III, MINNESOTA ATTORNEY GENERAL's OFFICE
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TO REQUEST BROCHURES TO ACCOMPANY THE TEACHER'S GUIDE

**To request consumer information brochures
from the Attorney General's Office, please
complete this sheet and mail to:**

**Attorney General's Office
Consumer Division
ATTN: Lisa Hertzberg
117 University Avenue
Suite 200
St. Paul, MN 55155**

BROCHURE

QUANTITY

- ☐ Buying a New Car
- ☐ Collection Agencies
- ☐ Conciliation Court
- ☐ Constructive Complaining
- ☐ Credit Cards
- ☐ A Debtor's Guide to Garnishment
- ☐ The "Environmentally Friendly"
Consumer
- ☐ Hassle-Free Home Building
and Remodeling
- ☐ Home Solicitation Sales
- ☐ Landlords and Tenants:
Rights and Responsibilities
- ☐ Minnesota's Lemon Law
- ☐ Minnesota's Used Car Warranty Law
- ☐ Manufactured Home Parks
- ☐ Pyramid Schemes
- ☐ Seniors' Legal Rights
- ☐ The Truth-in-Repairs Act
- ☐ Utility Shutoffs

LEARNER OUTCOMES

LEARNER OUTCOMES

Competency Statements Addressed:

In order to lead productive, fulfilling lives in a complex and changing society and to continue learning, the graduate demonstrates the knowledge, skills and attitudes essential to:

- A. communicate with words, numbers, visuals, and sound within personal and life contexts;
- B. think and solve problems to meet needs within personal and life contexts;
- C. function as a citizen in local, state, national, and global communities;
- E. work independently, and in groups;
- G. contribute to the economic well being of society.

Competency statements specifically addressed in this guide.

A-competency #1 - Read and comprehend a variety of written materials.

competency #3 - Write in an organized and clear manner.

B-competency #2 - Organize, interpret, analyze, synthesize, and evaluate information obtained from a variety of information systems.

G-competency #3 - Understand the impact of personal economic decisions on self and others.

competency #6 - Understand the processes that influence responsible public economic decisions.

CONSUMER DECISION MAKING

UNIT I

CONSUMER LAW & PROTECTION

UNIT LEARNER OUTCOMES:

Upon completion of this unit, the student will be able to:

- A. explain the rationale for consumer protection laws.
- B. understand that the best protection a citizen has in the marketplace is from information they have gathered ahead of time.
- C. list five Minnesota laws that govern the conduct of businesses and consumers.
- D. explain why **trade-offs** among social goals are often required in public policy decisions.
- E. list ten agencies where information and/or assistance is available to people living in Minnesota.
- F. write an appropriate letter requesting information or assistance with a consumer problem.
- G. analyze and discuss the case studies pertaining to:

Minnesota's Lemon Law
Utility Shutoffs
Collection Agencies
Home Solicitation Sales
Pyramid Schemes
Constructive Complaining

LEARNER OUTCOMES

Competency Statements Addressed:

Graduation Outcome A, competencies #1, #3
Graduation Outcome B, competency #2
Graduation Outcome G, competency #3

MATERIALS

The Right Choice - video, available through BEEF

Give & Take - program #2 - video

Newspaper articles (included)

Brochures - available through the *Minnesota Office of the Attorney*

General, specific titles mentioned in *Objective G*.

Handouts 1A - 1C

Case Studies (included)

List of Minnesota Consumer Information Agencies

Visual 1-A

ECONOMIC CONCEPTS

Opportunity Cost is the foregone benefit of the next best alternative when scarce resources are used for one purpose rather than another.

Trade-offs involve accepting or choosing less of one thing to get more of something else. Individuals who chose one good or service instead of another, or more of one thing and less of another, are making a **trade-off**.

NOTES TO TEACHERS

Unit 1

Consumer Decision Making
Consumer Law and Protection

Consumer Information Agencies

Minnesota Attorney General's Consumer Division
Local and State Chambers of Commerce
Better Business Bureau
Minnesota Department of Commerce
Dispute Resolution Center
Minnesota Multi-Housing Association
Minnesota Tenant's Union
Southern Minnesota Regional Legal Services
Legal Aid Society of Minneapolis
Mid-Minnesota Legal Assistance
Legal Aid Service of Northeastern Minnesota
Northwest Minnesota Legal Services
Anishinabe Legal Services
Judicare of Anoka County
Public Utilities Commission

Places to Look for Information

Local Library
Consumer Publications
Newspaper

SECTION A

Does safety have a price?

Unit Learner Outcomes: A

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 1 class period

Procedure

Select two students to participate in the play, *Does Safety Have a Price?*, handout 1-A.

Following the students' presentation, ask the following questions:

1. How would consumers benefit from the new safety devices?
Answer - The devices would increase consumer's safety and security because individuals would be less likely to incur injuries resulting from the use of their lawnmowers.
2. What would be the costs to consumers if the new devices are required for all lawnmowers?
Answer - Consumers would have to pay more for lawnmowers, thus reducing their discretionary spending for other goods and services. This could also result in the expenditure of more tax dollars if the regulation requires governmental policing of mower production. Consumer's freedom of choice would be reduced since individual could no longer purchase a lawnmower that did not meet the new safety requirements.
3. What criteria does this suggest one might use for deciding whether the new safety devices should be required?
Answer - Price, freedom of choice, and safety/security.
4. Wilbur's father and Susie used the same criteria for assessing the proposal to make the new safety devices a requirement for all lawnmowers. Why did they come to different conclusions?
Answers - varied.

5. What are some recent product examples you can think of that have been required by legislation to include safety devices? Are there any recent state or federal laws that have requirements to consumers that have safety as their main goal?

Answers - varied.

Write the words, **trade-offs** and **opportunity costs** on the board. Give students the definition of each to write in their notes. Explain to the class what they will be studying in the next few days. Give an introduction to the video they will be seeing in the following class, *Give & Take #2*. See teacher information at the end of this unit.

SECTION B

Conflicting Goals

Unit Learner Outcomes: A,B,C,D

Grade level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 2 class periods

Procedure

Day 1

Ask students if they are aware of any laws designed to protect consumers. Examples may include seat belts, infant restraint seats, labeling, lemon laws, etc. Distribute a copy of one of the newspaper articles included in this section, articles #1-4, or a copy of an article that has recently appeared in the newspaper relating to a consumer problem or issue. Discuss the article as an introduction to the study of the issues of consumer law & protection and consumer rights and responsibilities.

Introduce the video, *Give & Take #2*, teacher information included. After viewing the program discuss with students the **trade-offs** among the social goals the student council had to be concerned with in their decision. (ie. public safety)

What was the **opportunity costs** of making the decision requiring all students to remain at school during lunch time?

Homework - ask students to come up with 5 examples of rules or laws that affect them each day in their normal activities.

Day 2

Begin by leading a discussion of examples of rules or laws the students were assigned to think about for homework. Ask if they feel these are fair laws and who benefits from having these laws. What are the **trade-offs** and **opportunity costs** involved in each.

Lead a discussion of the criteria used in *Give & Take #2* regarding social goals. How does group decision-making differ from individual decision-making?

Distribute student handout 1-B and have students complete by working in groups. Follow up with discussion of handout.

SECTION C

Consumer Responsibility and Minnesota Consumer Protection Laws

Unit Learner Outcomes: A,B,C,D,G

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 3 class periods

Procedure

Day 1

Distribute articles #1-5 to be read by students. Lead a discussion of the issues raised by the new consumer laws at the national level. Have students discuss the impact of this new legislation. In addition note the comment made in paragraph #3 that cites problems that may be created for states as a result of this new legislation. Ask the students' opinion of the laws in Minnesota that protect consumers. Find out if they are aware of any laws in this state.

Divide the class into five groups. Have each group select a recorder that will report to the class. Distribute to each group, handout 1-B and one of the following pamphlets written by the *Minnesota Attorney General's Consumer Division*:

Minnesota's Lemon Law
Home Solicitation Sales
Pyramid Schemes
Utility Shutoffs
Collection Agencies, and article #1-6

Have students in each group review their assigned pamphlet and complete handout #1-C. Assign for homework:

Find a recent article in the newspaper that addresses one of the assigned topic areas.

Day 2

Allow students a few minutes to meet with their groups to discuss their responses to handout #1-C. Have groups report to the class on their findings.

Day 3

Discuss the *Minnesota Lemon Law* with students. Information about this law is found in the yellow pamphlet published by the *Attorney General's Consumer Division*. Explain to students that there are many laws in Minnesota that govern the rights and responsibilities of businesses and consumers. Discuss where students may obtain information and copies of laws that protect consumer's rights and regulate businesses in Minnesota.

Assignment - each student must list **5** laws that govern the conduct of businesses and consumers. Some of this information is noted in the pamphlets of the *Attorney General's Consumer Division*. Another source would be the public library.

After students have found the laws, have students discuss the importance of the particular law they have cited. Ask them to comment on the **trade-offs** and **opportunity costs** of such laws.

Day 4

Case Study - *Is my new car a lemon?* - Case study #1-A

Distribute the case study to students. Working in small groups have students use the information provided in the brochure, *Minnesota's Lemon Law* to construct a plan of action for Davey's problem.

Each group should outline the options Davey has to consider in resolving his problem with his new car purchase. (30 minutes)

Watch video, *The Right Choice*. After viewing the video, discuss with students the choices they outlined. Do they agree or differ with Davey's ideas? Use visual #1-A to guide the discussion.

SECTION D

Where to get information/assistance in Minnesota and how to use it!

Unit Learner Outcomes: E,F,G

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 3 days

Procedure

Day 1

Discussion, *Can consumers use information to obtain protection?*

If some businesses fail to satisfy consumers' demands, others can profit from producing what consumers want or need. The greater the competition, the greater the choice. However, even with a well developed competitive market for a particular good or service, consumers must have knowledge about the good or service in order to make informed choices. Getting information usually costs the consumer time; supplying information usually costs the provider money. Government is a possible provider of information, particularly for complex products. For example, do you know whether an insect spray contains chemicals harmful to humans or pets? The market does provide information through brand name advertising, labeling, and advice from publications such as *Consumer Reports*, and the brochures from the *Minnesota Attorney General's Office*. There is also nonmarket information; advice from friends, neighbors etc. Consumers still often lack sufficient information about particular goods and services to make wise choices. Therefore in the case of some products, government agencies require specific information be made available to the consumer. Government also places restrictions on the distribution of certain medicines and drugs.

Divide the class into 5 groups. Have each group select a recorder.
Distribute to each group:

One pamphlet from the *Minnesota Attorney General's Consumer Division*

Constructive Complaining, a pamphlet

One Case Study pertaining to the pamphlet distributed to each group.

- Read the case study
- Read the corresponding pamphlet
- discuss possible solutions. Refer to the pamphlet, *Constructive Complaining*.
- List 5 possible agencies the consumer could go to for help or information.
- Outline possible plans of action to be taken by the Consumer.

Day 2

Working in the same groups, have students compose a letter of complaint. The letter must include:

- Choice of agency to receive the letter.
- Description of the problem.
- Summary of action taken by the consumer.

Day 3

Have each group present to the class a summary of their case study and plan of action taken by their fictitious consumer. Each group should be able to explain:

- Choice of agency.
- Why they selected their particular plan of action.
- Explain how the problem may be avoided in the future.

ASSESSMENT - UNIT 1

1. Students should be able to write a one page essay outlining the process of organizing a consumer complaint and sending it to an appropriate agency. Select 4-5 problems a consumer may encounter to present to the students for problem solving and assessment.

Handout 1-A

Does Safety Have a Price?

Wilbur: Hey, what you doin' Susie?

Susie: Getting ready for the lawn mowing season.

Wilbur: How's the old mower doing?

Susie: Not so good. It's pretty tired but I can't complain. I've had good service from it. Mowed all kinds of lawns the last 6 summers. But I sure need a new one.

Wilbur: My dad was talking the other night about mowers. He said some government agency is thinking about requiring different types of safety mechanisms to be put on mowers to keep accidents from happening. You know, people cutting off their toes or fingers.

Susie: That sounds like a good idea to me. You know that Mr. Holbrook down the street lost a toe a couple of years ago.

Wilbur: Well, Dad sure doesn't like it - all those government regulations. He says the new safety devices will add to the cost of the mower, which raises the price you have to pay for the mower.

Susie: I don't understand what you mean.

Wilbur: Well, it's this way. If the government says that certain safety devices must be on a mower, then the company that makes the mower must add these features. The new safety devices cost money, so the price of the mower will increase.

Susie: Well, can't you buy the mower without all the safety features?

Wilbur: According to Dad, no. All mowers must have them. Dad doesn't like the idea of having to pay for those dumb devices when he doesn't need them. He's never had an accident with a mower. Why should he have to pay for something he doesn't need? He keeps complaining about the government taking away his freedom of choice.

Susie: How much will the devices raise the cost of a mower like this - you know, the kind you use?

Wilbur: Dad said he read that it will cost on the average around \$40 more for that kind, of course that's just an estimate.

Susie: I sure don't like the idea of a higher price. But you know, sometimes I get pretty tired mowing grass and I don't always pay attention. Maybe it would be helpful to have some safety devices so I don't get into an accident. I sure would hate to go through what Mr. Holbrook went through.

Student Handout _____ Program Two

Directions: Listed below are six consumer responsibilities. * Beside each item, list two specific things that you could do to meet your responsibility.

Example:

Advise business and government about consumer information needs.

A. Explain to the butcher that you don't know why one cut of beef costs more than another. Suggest that informational signs be made.

B. Write to the state or provincial office of Consumer Affairs to ask them to make a list of reputable mail order companies.

1. Seek information before you buy.

A.

B.

2. Compare competing products and services.

A.

B.

3. Learn to recognize deceptive practices and claims.

A.

B.

4. Deal only with reputable businesses.

A.

B.

5. Follow care and use instructions.

A.

B.

6. Report violations of law to proper authorities.

A.

B.

*Adapted from Consumer Law, Changing Times Education Service, St. Paul, MN, 1979.

Handout 1-C

1. Summarize:

- a. Consumer Rights
- b. Business Rights
- c. Consumer Responsibilities
- d. Business Responsibilities

2. What **trade-offs** in social goals are implied by this law?

FRAMEWORK FOR DECIDING CONSUMER PROTECTION ISSUES

1. What are the trade-offs among economic goals?
2. Does the situation affect people who are not direct participants?
3. Can consumers use the market to obtain protection?
 - degree of competition
 - information costs
4. What are the costs and benefits of each choice?

Case Study 1-A

Is my new car a lemon?

Davey can be described as hardworking, dedicated, impulsive, uninformed, short-sighted, conscientious, naive and ambitious.

Davey is a high school junior. He has recently made a new purchase, a used car. He is dependent on this car as it is his means of transportation to and from a new summer job. His new job, at a local nursery, is important to him. He needs to save the money to put towards going to school after graduation from high school.

Davey purchased his car for \$2,750. Two days later it would not start. He had a friend examine his car and was informed it would cost around \$700 to fix. He had spent all his saving and had borrowed \$500 from his mother to purchase the automobile.

What advice do you have for Davey?

Case Study 1-B

January 15, 1991

Dear Attorney General:

I have been unable to pay my heating bill since mid-November, and I am beginning to worry that my heat will be shut off. However, the other day I was talking to a neighbor who told me that my heat cannot be shut off during the winter because of the Cold Weather Rule. Is this automatic? If not, please tell me how to apply for the Cold Weather Rule protections. I may be able to pay some money each month toward my heating bill, but at an average cost of \$150 per month during the winter, I can't afford the entire amount.

Thank you for your assistance.

Sincerely,

John Smith

Case Study 1-C

January 3, 1991

Dear Mr. Humphrey,

Lately I have been reading about manufacturers who exploit consumer concerns for the environment. I'm talking about the trend called "Green Marketing", and I think it is deplorable that manufacturers are capitalizing on people's real fears about pollution, the ozone layer, acid rain and the rain forests. For example, there is a company which made the claim that their plastic garbage bags are photodegradable. It seems unlikely that a garbage bag at the bottom of a landfill, nowhere near sunlight, would be able to photodegrade - so isn't this a false claim? Perhaps this company has chosen to exploit consumer concern for the environment in order to sell trash bags.

Every time I go to the grocery store I see more and more products trying to capitalize on the latest marketing ploy. Are there any guidelines for the average consumer to use in order to differentiate between manufacturers who are sincerely concerned about the environment and those who are exploitive?

Sincerely,

Nellie Eaton

'Bad ads' go far beyond limits of truth in '90, group says

By Bruce Horowitz
Los Angeles Times

The "bad ads" were more misleading than ever in 1990 — no thanks to the coming recession.

It says one consumer watchdog group, the Washington-based Center for Science in the Public Interest, which Monday handed out its sixth annual "Harlan Page Hubbard Lemon Awards" for "the most misleading, unfair or irresponsible" ad campaigns of the past year.

It says misleading ad campaigns in 1990 promoted Virginia Slims as cigarettes that can help women stay thin; advertised Pan Am as operating one of the "youngest" transatlantic fleets in the sky even though many of its old planes simply have been rebuilt; and positioned Volvo as a car that somehow withstood the strain of a giant truck rolling over it. Never mind that it required the aid of props and advertising hocus-pocus to keep the Volvo intact.

These were just three of the ads the consumer group, in conjunction with eight national consumer, environmental and public-health organizations, cited during a ceremony in Washington. General Motors and Philip Morris received an embarrassing two "lemons" each.

"Deceptive advertising is alive, well and on the increase," said Bruce Silverglade, legal director of the center, in a telephone interview. "We're experiencing a weakening economy which leads to intense competition. That can lead advertisers to stoop to marketing techniques they might have otherwise resisted."

To that, the leader of the American Association of Advertising Agencies says hogwash. "There's no better



Associated Press

Kellogg's ad for Special K was singled out by the Center for Science in the Public Interest.

time for an advertiser to be totally candid with the consumer than during a recession," said John O'Toole, president of the New York-based ad industry trade group. What's more, he said, the Center for Science, "is an anti-advertising, anti-business group that is out there on the lunatic fringe."

Harlan Page Hubbard, the man the dubious awards ceremony is named after, is broadly credited with pioneering shoddy advertising techniques in the 1890s after devising a

successful ad campaign for Lydia Pinkham's Vegetable Compound, a quack medicine advertised to cure everything from fatigue to cancer.

The bad ad awards, in his honor, were handed out to these companies:

■ Oldsmobile: One citation is for an ad that claims GM "pioneered the airbag." The consumer group notes that GM has the fewest models equipped with airbags of the Big Three automakers.

A second award went to Oldsmobile for an ad claiming its Oldsmobile Cutlass Supreme is "fuel efficient." The Center points out that the car averages 23 miles per gallon, at least 4.5 miles per gallon less than the 27.5 Environmental Protection Agency average fleet standard.

"Our ads are based on facts, and we can substantiate any claims we make," said Gus Buenz, director of public relations at Oldsmobile.

■ Philip Morris Cos. One award is

for its ads for Super Slims by Virginia Slims, which the consumer group says "asks women to trade their health for an illusion of beauty and slimmness." The other award is for campaign that features celebrities touting the Bill of Rights. "The Philip Morris campaign is designed to tie this document to its so-called right to sell deadly products," said the consumer organization.

"The group is making a wild claim. They are the only ones who seem to be confused by the ads," said Les Zuke, director of communications for Philip Morris USA.

■ Pan Am: In a TV ad Pan Am claims its transatlantic fleet is "among the youngest in the air." But Silverglade called the claim "bogus." Many of its planes are actually "more akin to (rebuilt) retreads" that the company is passing off as new, he said.

"We stand by our ad," said Pan Am spokesman Alan Loflin, who notes that many of its older jets have been completely rebuilt. "To characterize any airplane's age only by its chronological age shows a total lack of understanding of what an airplane is."

■ Kellogg's: TV ads for Special K cereal claim that some people who diet also can lose muscle. The ads say that Special K is high in protein and can help dieters keep their muscle while losing fat. The consumer group points out that Kellogg's claim is dubious, but even if it were true, an entire bowl of the cereal only has as much protein as one tablespoon of tuna. The Iowa Attorney General's office has filed a lawsuit, also claiming that the ad is misleading.

"We stand by the ad," said Celeste Clark, vice president of nutrition at Kellogg's. "For them to suggest the

ad is misleading is the greatest deception of all."

■ Burger King: Burger King TV commercials promote a "Kid's Club" where kids can have "lots of fun nonstop." Kids who join the club get stickers, membership cards and their names on Burger King mailing lists. "It isn't really a club at all," says the consumer group, but "yet another attempt to lure kids into fast food restaurants with the promise that it will make life more fun."

"We know it's not misleading," said Cori Zywtowa Burger King spokesman who said the club has signed on 2.7 million members in one year. "Their claim is unsubstantiated."

■ Coors Brewing Co.: A recent Coors light TV commercial turns Halloween, once considered a children's holiday, into a "drinking holiday," says the consumer group. "Americans young and old are being duped into believing they can't celebrate Halloween without drinking."

"To claim Halloween is a holiday just celebrated by children isn't true," said Todd Appleman, corporate communications manager at Coors. "We feel strongly the ads are done in a responsible manner."

■ Volvo: Perhaps the most talked-about ad of the year was a Volvo ad that recreated a demonstration of a Volvo car standing up to the weight of a "Monster Truck" rolling over it. But the ad, which was enshrined into the "Hubbard Hall of Shame," was not labeled a demonstration.

Volvo spokesman Robert Austin has admitted that the ad was a "mistake."

Minnesota joins lawsuit that accuses Kellogg of deceptive cereal ads

By David Phelps
Staff Writer

The Kellogg Co. was accused by the attorney general of Minnesota and four other states Friday of making deceptive and misleading claims about the health value of three of its breakfast cereals.

A suit filed in U.S. District Court in Des Moines, Iowa, alleges that Kellogg made false and unfounded statements about the benefits of eating Special K, 40+ Bran Flakes and Frosted Flakes.

"Kellogg hopes consumers will swallow all this health hype, when in fact the claims are unfounded," said Minnesota Attorney General Hubert Humphrey III in a statement.

Kellogg, of Battle Creek, Mich., disputed the allegations. "We stand behind the content of our advertisements," said Joseph Stewart, vice president for corporate affairs. Joseph also suggested the suit was an attempt to capture attention for the attorneys general.

Stewart said Kellogg and the states discussed its advertising for more than two years. When the company became frustrated that the talks were going nowhere, he said, Kellogg sued the state of Iowa, seeking a court order preventing the state from interfering with its advertising and marketing strategies. The other states now are seeking to join that suit as codefendants and counterclaimants.

The states' suit asserts that Special K makes unfounded claims that it is a high-protein cereal that will help dieters "keep the muscle and lose the fat." Dieters don't need Special K to keep their muscle while losing fat, said special assistant Minnesota Attorney General Jim Jacobson.

Frosted Flakes falsely states it is a "nutritious snack," the suit alleges, when in fact it has a high sugar content. "You'd be better off eating an apple," said Jacobson.

The suit also claims that Kellogg's falsely stated that 40+ Bran Flakes, which is now sold under the name Bran Flakes, contained special nutritional benefits for people over the age of 40. Jacobson said there is nothing particular in the nutritional needs of people 40 and older.

Kellogg's Stewart dismissed each of the complaints about the cereals and said the allegations against them were based on "emotional reaction" and not scientific fact.

Jacobson said this is the first time that Minnesota and the other states have had to sue a company over health claims. In other disputes, the

states and the food companies have reached negotiated settlements.

"If health claims are made, they should be made in an accurate, truthful and not-misleading manner," Jacobson said.

Joining Minnesota in the suit are the attorneys general of California, Florida, Texas and Wisconsin. The same states have joined forces in the past to pursue allegations of misleading claims by food companies, including Campbell Soup Co., Sara Lee Corp., Nabisco Brand Inc., Carnation Co. and General Mills Inc.

Twin Cities-based General Mills withdrew its high-fiber Benefit cereal from the market this year after controversy about some of its marketing tactics. However, the company said,

the decision to discontinue the cereal was based on poor market performance. The company's involvement with Humphrey's office dealt with a change in wording on the cereal's package.

Industry analysts said publicity about the cholesterol-reducing claims of Benefit and the debate over whether the cereal, which contained the grain psyllium, should be regulated as a food or a drug shook consumer confidence in the product.

In the Iowa suit, the states contend that Kellogg is subject to consumer protection laws in individual states. Kellogg claims that the issue involves interstate commerce and thus is subject to federal jurisdiction.

Under Minnesota law, companies that make false claims about their products can be fined up to \$25,000 per false claim, Jacobson said.

States turn up the heat on cold cereal ad claims

TOM MAJESKI STAFF WRITER

The "Food Cops" — Minnesota, Wisconsin, Iowa, California, Florida and Texas — have again drawn their legal guns in defense of the American diet.

In their most recent showdown, the six states have taken aim at the Kellogg Co. for allegedly making misleading health claims about three of its cereal products.

Jim Jacobson, special assistant attorney general for Minnesota, said Friday the company's advertising claims for Special K, 40% Bran Flakes and Frosted Flakes are "unreasonable and unfound-

ed."

A lawsuit filed in federal court in Des Moines, Iowa, by the attorneys general from five of the six states asks the court to permit them to intervene in a pending lawsuit between Iowa and Kellogg. Because of the earlier suit, Iowa is not a party to Friday's lawsuit but remains teamed with the other states in the overall legal battle against Kellogg's advertising methods.

But Joseph Stewart, Kellogg's senior vice president for corporate affairs, said the filing was "another indication of the

CEREAL CONTINUED ON 6A ►

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harassment" the state officials have engaged in against the company.

Stewart said Kellogg officials had tried for two years to resolve the matter but the state officials had "no real desire" to do so, short of an admission by the company of wrongdoing and the imposition of penalties.

This is the first time a major case of this nature has gone to court, Jacobson pointed out.

Deceptive advertising claims against the giant Michigan-based cereal maker date back several years, Jacobson explained, but efforts to settle out of court failed last summer.

In August, he added, Kellogg sued Iowa in an attempt to prevent the six states from enforcing their state consumer protection laws against the company. Kellogg alleges the states are in violation of federal law.

In Friday's suit, the states are asking the court to reject Kellogg's contention that they are barred by federal law from enforcing their state laws against Kellogg and other food manufacturers that make nutritional claims for their products.

Jacobson said the states also have asked the court to order the company to stop its misleading health claims for the three cereals and to pay a maximum fine of up to \$25,000 in each of the three cases.

In its advertising, Kellogg contends that consumers who eat Special K cereal are able to lose fat but maintain muscle because the product is high in protein.

"We allege that Special K does not have any unique properties, and that the claim that it is high in protein is not true," Jacobson said.

The suit further alleges that "the claim that Special K preserves muscle in the average American dieter addresses a non-existent problem with dubious scientific substantiation."

Kellogg's advertisements for Special K recently were singled out by a national consumer organization, the Washington-based Center for Science in the Public Interest, as one of the 10 "most misleading, unfair or irresponsible" marketing campaigns for 1990.

Before recently changing the name of its 40% Bran Flakes, Kellogg advertised that the cereal was especially beneficial for people over the age of 40.

"We allege the claim is a marketing

gimmick," Jacobson said. The cereal has no unique benefits for those over 40, nor do those over 40 have special nutritional needs, he added.

Kellogg has since dropped the age angle from the cereal's name and now simply calls it Bran Flakes. Jacobson said the name change has no impact on the legal battle, nor are the six states concerned with how the company currently is marketing the renamed cereal.

Finally, the lawsuit charges that Kellogg's claim that Frosted Flakes are "nutritious" and "good for you" is deceptive because the cereal contains 40 percent sugar by weight.

"Our goal is to ensure that when health claims are made, they are made in a truthful and accurate manner," Jacobson said. He added that the lawsuit does not contend that the nutritional information on the cereal boxes is inaccurate.

The six states were dubbed the "Food Cops" in 1988 by the Washington Post. They banned together several times before and since to settle cases out of court with national food manufacturers, including the Campbell Soup Co., Sara Lee Corp., Nabisco Brands Inc., Carnation Co., CPC International Inc., and Golden Valley-based General Mills Inc.

Making sure your gifts get into needy, not greedy, hands

By Jim Fuller/Staff Writer

The holiday season is prime giving time in more than one sense. Despite the financial strain that sometimes results from overspending, people tend to be especially open-handed with the less fortunate at this time of year. Not incidentally, it's also the time of year people get serious about tax-deductible giving.

Charity functionaries know that, and tend to press hard for a share of the largesse. But some of the upheld palms should be slapped with a ruler rather than crossed with silver, and it isn't always easy to tell which upheld palm is which.

As Minnesota Attorney General Hubert Humphrey III pointed out recently in a report on charities, some professional fund-raisers take very large bites — as much as 80 or 90 percent — from charitable contributions, though others charge reasonably for their services. Nonprofit groups should use 70 percent of their income for their

CHARITY Continued on page 8E

Continued from page 1E

stated purpose, Humphrey suggested (noting that newly organized charities may need to spend more on fund-raising). Other watchdog outfits, such as the national Council of Better Business Bureaus, say at least half of income should go directly into programs, and no more than 35 percent should be spent to raise money, leaving 15 percent for administrative costs.

The would-be donor also must be aware that some charity pitches are misleading, and a few are outright fraudulent.

Here are some pitfalls of charitable giving, and some ways of making sure your gifts go where you want them to go, as suggested by Humphrey and Ron Graham, president of the Better Business Bureau of Minnesota:

■ **Don't make pledges on the telephone unless you are familiar with the soliciting organization, and never give a credit-card number to someone who has called you.** You could find that your contribution is bigger than you intended, or that the charity really is no charity.

■ **Pay by check.** Cash donations are impossible to trace and difficult for a charity to protect. Checks also provide you with a record of donations.

■ **Beware the telephone or door-to-door solicitor who pressures you to make an immediate contribution.** Ask if the person is a professional fund-raiser and exactly how much of your contribution will go to the organization vs. how much to the fund-raiser. Ask exactly what the charity does, and don't be confused by sound-alike organization names. If you don't get clear answers, don't contribute. Ask for written information on the organization and its program. A reputable organization won't mind getting the

money in three weeks rather than today.

■ **Do not respond to mail solicitations disguised as bills or invoices.** It is illegal to mail such a "bill" unless it carries a clear and easily visible disclaimer stating that it really is an appeal for donations. You are under no obligation to pay.

■ **Don't let mail solicitations containing "gifts" make you feel guilty.** Many mail pitches contain pennies or nickels, return-address stickers in your name or, at this time of year, Christmas cards. If you didn't order the stuff, you are under no obligation to pay for it or to send it back.

■ **Pay attention to what telephone callers say.** Some people selling merchandise will tell you "this is not a charity" (possibly rushing over that line), then tell you they are handicapped and telephone selling is the only way they can make a living. Whether or not that is true, they work for a commercial organization.

■ **Some legitimate charities sell merchandise and/or tickets to various events as a way of raising money.** Only a portion of the money you spend on such things actually goes to the charity, and only that portion is tax-deductible. The charity should tell you exactly how much. If you don't want to see the show or have no use for the merchandise, you'd be better off making a direct contribution to the organization.

■ **"Give with your head as well as your heart,"** as Humphrey said, even when dealing with cute kids who come to the door selling candy to go to camp. If it's some organization you never heard of, beware: a promoter may be using the kids for personal gain. Though the child may not know, try to find out about the sponsoring organization. Ask for written material. "If you really want to help the kid, it might be better just to give him \$1 rather than buying the product for \$2,"

Graham said.

If you have any doubt about an organization or cause, but are interested in contributing:

■ Ask the organization for financial reports.

■ Call the Minnesota Attorney General's office at 297-4613.

■ Call the Better Business Bureau of Minnesota at 699-1111.

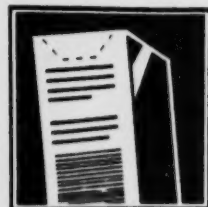
■ Write the National Charities Information Bureau, 19 Union Square W., New York, N.Y. 10003, or call 1-212-929-6300.

■ Write Better Business Bureaus Inc., Philanthropic Advisory Service, 4200 Wilson Blvd., Arlington, Va. 22209 or call 1-703-276-0100.

From Congress, some new consumer laws

What did the Congress do last year aside from a long and embarrassing budget dance? In fact, quite a bit to benefit consumers.

On store shelves: better labels



A new Federal law, to be phased in over the next 2½ years, requires most food packages to display improved nutrition labeling and eschew confusing health hype (see "What's Wrong with This Food Label?" *CONSUMER REPORTS*, May 1990).

For the first time, labels must state not only calorie content, but how many of those calories come from fat. They must also list the amounts of saturated fat, cholesterol, sugar, dietary fiber, and complex carbohydrates. Beverage containers boasting fruit juice must show the percentage of genuine juice they contain.

By mid-1993, foods can't be labeled "high fiber," "low sodium," or "no cholesterol" unless they meet approved definitions of those terms. Medical claims will be permitted only if validated by the Federal Government.

Retailers will be encouraged, but not immediately required, to display the nutritional content of the most common fresh fruits, vegetables, and seafood. Foods prepared at grocery counters, however, will be exempt. Regrettably, the law pre-empted some state initiatives that go beyond the Federal Government's standards.

On the horizon: cleaner air



Air pollution contributes to an estimated 50,000 premature deaths a year and adds \$40-billion to \$50-billion annually to health-care costs nationwide. Now, after more than a decade of debate, Congress has revised the Clean Air Act of 1970. The far-reaching new law will provide significant long-term benefits—perhaps at a price lower than that now exacted by the pollution the law seeks to control. (Estimates of the law's cost range from \$21-billion to \$25-billion a year—or 24 cents per person per day—by 2005, when its provisions will be fully implemented.)

Automakers must phase in tougher tailpipe standards, beginning with 1994 models. In 2003, those standards will be reviewed and possibly strengthened.

Automakers will also be required to provide experimental, cleaner-than-average cars for a pilot program in California, beginning in 1996. The cars may be gasoline-powered or fueled with an alternative, such as natural gas, methanol, or ethanol. However, those alternative fuels are likely to be more costly than gasoline (see "The Fuels of the Future," *CONSUMER REPORTS*, January 1990).

Oil refiners must also reformulate conventional gasoline to reduce toxic emissions and volatile organic compounds—the latter are primary ingredients in smog—by about 20 percent before the year 2000. The cleaner fuels, which are expected to cost 2 to 3 cents more per gallon, are targeted for the nation's nine smoggiest metropolitan areas.

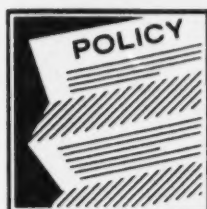
By 1995, coal-burning power plants must significantly reduce sulfur-dioxide emissions, which contribute to acid rain. The attendant costs could boost electricity rates, particularly in the coal-dependent Midwest and Southeast.

The new law also will force large manufacturers to strictly control emissions of benzene, formaldehyde, and 187 other hazardous pollutants. Products and processes that use these chemicals—including solvents, paints, lighter fluid, and hair spray—will be affected. Within 10 years, manufacturers will have to stop making chlorofluorocarbons and carbon tetrachloride, widely used chemicals that are major threats to the earth's protective ozone layer.

Small businesses in some regions, including dry cleaners, service stations, and printers, will be required to control vapors that contribute to smog. The necessary investment in emission-control equipment could raise the costs of their goods and services somewhat.

The law also provides for limited compensation to coal miners, industrial workers, and others who could lose their jobs as a result of the Clean Air Act.

Medigap insurance shopping made (a little) easier



Medicare-supplement insurance (also known as Medigap) has long been subject to abuse by sales agents. Older consumers, confounded by a maze of terms and options, sometimes buy the same coverage again and again (see "Beyond Medicare," *CONSUMER REPORTS*, June 1989).

A new law aids comparison shopping for Medigap by requiring that policies be written in uniform language. To further minimize confusion, the industry will be able to offer no more than 10 standard Medigap policy types, each with the same core of basic benefits. (This provision, and several others, will not take effect until mid-1992.)

The new law will also close loopholes that had allowed insurance agents to sell duplicate coverage and will increase criminal penalties for agents who misrepresent policies. Agents must also tell buyers that they may be eligible for Medicaid, the health-insurance program for the poor.

Under the new law, states may apply for Federal grants to start or expand free counseling on Medicare, Medigap, long-term-care insurance, and related issues. Such programs already exist in California, Idaho, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New Mexico, North Carolina, Ohio, Washington, and Wisconsin.

Further, the new law says insurers will not be allowed to deny coverage to new Medigap consumers if they apply within six months of enrolling in Medicare Part B, typically at age 65. Insurers could, however, impose a waiting period before covering certain medical conditions.

Medigap policies will be guaranteed renewable under the new law. That means the company must renew a policyholder's coverage every year as long as he or she pays the premium; it can, however, raise rates.

Consumers buying one Medigap policy to replace another will also have protections under the new law. Once a consumer has been accepted for a replacement policy, the insurer will not be able to impose new waiting periods—or extend existing ones—when the new coverage is essentially the same as the old.

To ensure that individual consumers get the benefits they pay for, the new law requires insurers to pay out at least 65 cents for every dollar they collect, up from an earlier industry mandate of 60 percent. Companies that don't comply with that rule must compensate consumers.

Help for low-income consumers



The working poor and their children often find affordable health insurance out of reach (see "The Crisis in Health Insurance," *CONSUMER REPORTS*, August and September 1990). To ease that burden, Medicaid will be expanded gradually to provide health insurance for all poor children through age 18 by the year 2003. Previously, children were

covered by the program only up to age 6.

The working poor and their children were also beneficiaries of a change in the tax laws. The earned income tax credit was increased and adjusted for family size, a boon to families with two or more children. A new tax credit was added for newborns. Poor, working families who pay for a portion of their health insurance will receive a new tax credit to offset the costs.

Two new Federal grant programs, providing \$6 billion over five years, will help states subsidize and improve the quality of child care, particularly for low-income families. States also must create consumer-education programs to help parents choose appropriate child care.

The successful Head Start preschool education program was reauthorized, with a 26 percent budget increase for 1991. That should allow Head Start to serve all eligible poor children by 1994. Currently, it enrolls only about 25 percent.

The Childhood Immunization Program received a booster shot: its budget rose 30 percent, to more than \$200 million.

Other consumer legislation of note

□ State programs to educate children with disabilities received nearly \$400 million more in Federal aid, a 21 percent increase. The programs serve about five million children.

□ The Consumer Product Safety Commission was reauthorized for the first time in nine years. (The agency had been funded by continuing resolutions; reauthorization officially endorses and funds the CPSC for at least another two years.)

Lawmakers also increased civil penalties for violating consumer-protection laws, and imposed new fines for breaking laws regarding hazardous substances and flammable fabrics.

However, an initiative to improve the reporting of product hazards to the CPSC was weakened significantly in the final law. The CPSC also remains the only Federal agency dealing with health and safety that must gain a manufacturer's permission to release information on specific product complaints.

■ The cost of obtaining a Federal Housing Administration mortgage will go up. That's a step backward, in CU's view. Borrowers now may finance only 37 percent of their closing costs, compared with 100 percent in the past. CU estimates the new rule boosts those costs by at least \$800 for a \$65,000 home, and at least \$1226 for a \$100,000 home.

The change was intended to shore up the FHA's loss-plagued mutual mortgage-insurance fund, which insures low down-payment mortgages on single-family homes. Yet by one estimate it could effectively prevent more than 10,000 families from buying their own homes.

Key consumer issues likely to come up in the new Congress include reforming the long-term-care insurance market and making health insurance affordable. Lawmakers already are scrutinizing laws to regulate banks and S&Ls for safety and soundness; they may also re-evaluate lending and credit-reporting practices and consider mandating basic banking services for the poor (see story at right).

**Credit Repair and Credit
Reporting Agencies**

The House of Representatives Committee on Banking, Finance, and Urban Affairs is considering the **Consumer Credit Protection Amendments of 1990**, which would amend the Fair Credit Reporting Act (15 U.S.C. §§ 1681-1681t (1988)). The bill would protect consumers from a consumer credit reporting agency using inaccurate information, unfair advertisements, or deceptive business practices. Consumer credit reporting agencies would be required to disclose to a consumer the identity of persons who obtained information regarding the consumer and the purpose for which the information was sought. The bill also would require the credit reporting agency to disclose all information in the consumer's file at the time of a request, along with a summary of all of the consumer's rights and remedies under the statute.

In addition, the bill contains the **Credit Repair Organizations Act**. Under the Act, credit repair agencies would be required to give to consumers a complete description of the services to be performed and the cost of the services, and to inform consumers of their rights under the Act, including the right to cancel the credit repair contract within three business days of signing it. Credit repair agencies would be prohibited from charging consumers for credit repair services until the services are rendered, and would be prohibited from using untrue or misleading statements or advising consumers to make such statements to other credit agencies. Any waiver by the consumer of these statutory rights would be void, as would any contract violating the statute. H.R. 4213, 101st Cong. 2nd Sess. (1990).

THE MONEY COLUMN

Federal Trade Commission, dormant under Reagan, is coming back to life

Memo to consumers bilked by deceptive advertising: It's time to put the Federal Trade Commission back in your Rolodex. If you complain, the commission might actually listen.

The FTC's job is to pursue deception and fraud. During the Reagan years, however, the commission all but went out of business. One reason you see so many unsubstantiated health and environmental claims on products is that few national efforts have been made to tell advertisers no.

Happily, the climate has changed. Under chairwoman Janet Steiger, the FTC is bringing some high-profile cases to warn businesses that the cop is finally back on the beat. Last year, it filed 30 consumer-protection lawsuits, more than double the number filed in 1987. Actions against deceptive ads are also up.

The FTC doesn't handle individual complaints. For that, you have to pester the company's executives, write to a state or local consumer agency, or to your state attorney general.

But one way the commission learns about fraud is through the letters consumers write. In the Reagan era, such letters were generally a waste of your time, and even now the FTC cannot follow up on every case. Still, all letters are read, acknowledged and logged into a computer that looks for patterns that may spark an investigation. So send your complaint to: Correspondence Branch, Federal Trade Commission, Washington, D.C. 20580.

Recently, the FTC has:

- Charged the manufacturers and marketers of a purported AIDS cure, Immune Plus, with false and



**JANE BRYANT
QUINN**
COLUMNIST

deceptive advertising.

- Found Kraft Inc. guilty of misrepresenting the amount of calcium in its individual cheese slices. Kraft was socked with an order not to misrepresent the nutrients in any cheese products.

- Held the New York ad agency Towne Silverstein Rotter liable with its client, Lewis Galoob Toys, for making false and deceptive claims about how the toys performed. That's the first case against an ad agency since 1985. Similarly, it recently held a mail-order company, Haverhill, responsible for false claims about the goods in its catalogs.

- Filed its first three cases against dubious 900 and 976 telephone numbers. These companies get you to call their numbers without disclosing how much you have to pay per minute.

Interestingly, businesses are applauding the FTC's return to life. When the commission entered hibernation, the more activist states stepped into the breach, passing consumer-protection laws and enforcing the fairness standards that the FTC had left to rot.

You may see this change first in the area of environmental claims. A number of states have started to define exactly what a "recycled" or "biodegradable" product is, and they don't all agree. The FTC may establish more general guidelines that will, businesses hope, head off further state regulation. The FTC has 20 such cases under investigation, says Barry Cutler, director of the commission's Bureau of Consumer Protection.

Cutler objects to specific definitions. "If you say that recycled paper has to contain at least 25 percent of post-consumer waste, you're setting a product standard that rewards some businesses but not others," he says. He prefers to consider what a word like "biodegradable" means to consumers and keep advertisers from using the word deceptively.

Jane Bryant Quinn writes about personal finance. Her column is distributed by *Money* magazine.

We Choose: Scarcity and Social Decision Making

Commentary: For Your Information

Making Public Decisions

The process of group or social decision making is more complex than that of individual decision making. People can agree upon broad social and economic goals and can usually agree upon what specific problems face the group or society. However, as individuals consider alternative solutions to a specific problem—such as increases in injuries resulting from crashes of small automobiles—they realize that they often have to give up part of one important goal to achieve another.

This trade-off between important goals complicates the social decision making process because individuals value goals differently. For example, persons who highly value the safety of drivers and passengers may want laws requiring that all cars have minimum weights, inflatable bumpers and dashes, and other safety requirements. Others may think that lower automobile prices and greater gasoline mileage outweigh the safety considerations. Others may believe that information and consumer freedom are the most important goals, and would require that complete safety records and statistics be provided for each automobile make and style so that consumers could make their own decisions. All of these people probably value the goals of safety, low prices, improved mileage, information and freedom but not necessarily in the same order. To reach a group decision, they would have to make trade-offs among goals. Group decisions that are made and enforced by governmental units are usually referred to as *public policy*.

Costs and Benefits of Consumer Protection

During the last two decades in Canada and the United States, the basic rights of consumers have come to be widely recognized. With these rights goes the responsibility of being thoughtful and careful consumers. Since it is sometimes difficult for people to know whether they are buying safe products, local, state, provincial, and federal governments spend millions of dollars on consumer protection. Production costs usually rise when businesses comply with safety and health requirements. These costs are usually passed on to the consumer in the form of higher prices. Trade-offs must be made between obvious long-term health and safety benefits and the cost of government regulations.

Basic Consumer Rights

- The right to *protection* against the sale of products or services that endanger life or health.
- The right to honest *information* about products.
- The right to make a *selection* from a variety of high-quality goods and services at competitive prices.
- The right to open *communication* about desires and complaints through business and government channels.

VOCABULARY

Trade-offs among goals are the giving up of part or all of one goal to achieve part or all of another important goal.

Public Policy is the body of social decisions made and enforced by governmental units in light of certain goals and values.

SAMPLE AGENCIES CONCERNED WITH CONSUMER PROTECTION

UNITED STATES	CANADA
Better Business Bureau (Private)	Better Business Bureau (Private)
Federal Trade Commission (Public)	Consumer Association of Canada (Private)
Food and Drug Administration (Public)	Consumer and Corporate Affairs (Public)
Interstate Commerce Commission (Public)	Agriculture Canada (Public)
Securities and Exchange Foundation (Public)	Health Protection Branch of Health and Welfare Canada (Public)
Consumer Product Safety Commission (Public)	

Broad Economic Goals

- Freedom:** Insuring individual rights and opportunities to make economic choices.
- Efficiency:** Making the best use of our limited resources.
- Growth:** Producing more goods and services to achieve higher standards of living.
- Stability:** Maintaining a steady level of high employment and low inflation.
- Justice:** Assuring fair and equitable treatment of all persons, including, in some cases, at least a minimum standard of living.
- Security:** Enabling people to be protected against various types of economic risks, such as accidents, unemployment, old age, and business failures.





Program Two

Suggestions for Classroom Use

Purpose

To help students apply the concepts of social decision making and conflicting goals to the area of consumer protection.

Student Objectives

- Explain why trade-offs among social goals are often required in public policy decisions.
- Give examples of trade-offs among social goals in specific policy decisions.
- Apply the decision-making model to public policy issues involving consumers.

Before the Program

Ask students to think about what might happen if there were no laws to protect consumers. Student responses could include anything involving health, safety, or products and services that don't live up to expectations. Suggest that people sometimes have a voice in determining policies designed for their protection and that this program shows the difficulty one student council has in reaching a decision about student health and safety.

Program

Students at South High usually leave the school grounds at lunch time and cross the highway to visit fast food restaurants and play video games. When Joey, a freshman, is injured by a car, the principal threatens to restrict all students to the school grounds every day during lunch unless the student council can come up with a better alternative that meets the criteria of student safety, proper student nutrition, and no additional cost to the school. The student council adds its own criterion of freedom for students.

The council investigates various alternatives, including using crossing guards. Ross, one of the seniors on the council, recommends that only ninth and tenth graders be restricted. The council eliminates the crossing guard alternative because it does not meet the "no additional cost" criterion. Ross's alternative of restricting only younger students meets the criteria of "safety" and "nutrition" well enough to satisfy the principal and meets the criterion of freedom well enough to satisfy the older students. The younger students object and the council is deadlocked.

Helena, the council president, and Ross, her boyfriend, each visit Joey, who is recovering at home. They discuss the trade-offs between protection and freedom. When Joey returns to school he must—as a student council representative—cast the tie-breaking vote to restrict all students or only the younger students.

After the Program

1. Discuss one or more of the following:
 - a. What is the opportunity cost of making a decision requiring all students to remain at school during lunch time? (Freedom) What are the benefits to students? (Safety from auto accidents and being served balanced meals.)

- b. What criteria did the students decide to use in judging the best solution to agree upon? (With the help of students, reproduce the program decision making grid on the chalkboard. See Program One for more details.)

ALTERNATIVES	CRITERIA			
	Safety	Nutrition	No Extra Money	Freedom
All stay	+	+	+	-
Guards	+	-	-	+
Some stay/Some go	+/-	+/-	+/+	-/+

- c. Why are the criteria used in this program considered public or social goals? (Meeting these criteria would benefit the general public and not just certain individuals. It is in the best interest of society as a whole to have healthy citizens who have the freedom to make their own decisions and act responsibly. Using tax dollars wisely is important for everyone, and the public especially entrusts schools with student safety.)
 - d. Why are there both pluses and minuses next to the alternative "Some stay/Some go?" (The ninth and tenth graders would be assured safety and nutrition but they would not have lunchtime freedom. The opposite would be true for eleventh and twelfth graders.)
 - e. How does group decision-making differ from individual decision making? (Members of a group may have conflicting goals or criteria; also a decision that might meet a certain criteria for some members of the group might not meet it for others.)
2. List several consumer protection laws on the board. These might include helmet requirements for motorcyclists, mandatory seat belts, and food labeling requirements.

Brainstorm the trade-offs among social goals that were probably considered when laws were made in each of these areas. (Answers will vary. The important point is that many of these laws restrict freedom, increase costs, and increase consumer prices. Yet they are designed for the health, safety, and welfare of the public.)

Other Activities

1. Duplicate and distribute Student Handout—Program Two to encourage students to consider their consumer responsibilities.
2. Ask students to select a specific consumer protection issue or consumer problem and create a poster, role-play a scene, or write a letter based on the issue or problem. (For example, a poster advocating a "no smoking" ordinance, a scene showing a person attempting to return a piece of merchandise, or a letter to a government agency asking for specific information.)

MAJOR SHOPPING AREAS

UNIT 2

MY TRANSPORTATION DILEMMA!

UNIT LEARNER OUTCOMES:

Upon completion of this unit, the student will be able to:

- A. Use the decision-making process to reach a decision about transportation.
- B. Give examples of **substitute** goods for producers and consumers.
- C. Analyze a case study using the decision-making model.
- D. Explain why **trade-offs** and **opportunity costs** are involved when making a personal decision.
- E. Use the brochures made available by the Attorney General's Office to solve problems related to purchasing transportation.

Buying a New Car

Minnesota's Used Car Warranty Law

LEARNER OUTCOMES

Competency Statements Addressed:

Graduation Outcome A, competency #1
Graduation Outcome B, competency #2
Graduation Outcome G, competency #6

MATERIALS

Give & Take - program #11 - video

Newspapers

Brochures

Buying a New Car

Minnesota's Used Car Warranty Law

ECONOMIC CONCEPTS

Opportunity Cost is the forgone benefit of the next best alternative when scarce resources are used for one purpose rather than another.

Trade-offs involve accepting or choosing less of one thing to get more of something else. Individuals who chose one good or service instead of another, or more of one thing and less of another, are making a **trade-off**.

Substitutes are goods or services that can be used in place of other goods or services to satisfy the same want.

SECTION A

I Want to Drive!

Unit Learner Outcomes: A,B,C,D

Grade level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 2 class periods

Procedure

1. View *Give & Take* video #11. After viewing, ask students to give examples of **substitute goods** for ; pizza, music, and transportation.
2. Discuss with students their desire to own their own car. Ask students what criteria they or their friends or relatives have used in purchasing or using different forms of transportation. (Examples of criteria they may suggest include: safety, convenience, comfort, cost, time, etc.)
3. Distribute Handout 2-A for students to read.
4. After students have read Handout 2-A, distribute Handout 2-B, which contains a blank form or grid for students to fill out as an aid in carrying out the decision-making process. Work with students to help them select the elements needed to complete the first 3 steps outlined in the handout. Have students:
 - a. State the problem.
 - b. List the 3 alternatives.
 - c. Determine which criteria to use in order to evaluate the alternatives as well as categorize the criteria according to whether they are personal or social. Examples of personal criteria suggested in the case study include comfort, convenience, freedom, effect on college fund, and safety. The social criteria mentioned are, 'degree of pollution', 'responsibility of being a safe driver', and 'effect on the creation of American jobs'. Use questions such as the following to generate a discussion of these and other social criteria:

- *Why are people, such as Keisha's sister, concerned about the pollution aspects?*
- *Why was Keisha's dad concerned about safety?*
- *Why was Keisha's mom concerned about her buying a foreign-made car?*

5. Have students work to complete steps 4 and 5 of the handout.
6. Call on students to indicate what they determined as the best choice for Keisha and why. In each student explanation, ask the student to indicate the **opportunity cost** of each choice.

SECTION B

Purchasing My Car

Unit Learner Outcomes: D,E

Grade level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 1class period

Procedure

1. Distribute brochures:

Minnesota's Used Car Warrenty Law
Buying a New Car

2. Have students split up into groups of 3-5. Distribute a recent newspaper to each group.

Using Handout 2-C, assign each group one of the situations. The groups must use the newspaper, brochures and information from interviews of other consumers to make a decision on what car to buy.

3. Students present to the class their choices and reasons. It is suggested students use the decision-making model to aid in this process.
-
-

ASSESSMENT - UNIT 2

1. Discuss with students the use of the decision-making grid. Did they feel completing parts of it were difficult? Why?
 2. Ask students whether they believe they should use the decision-making process for every choice they make.
-
-

Handout 2-A

Case Study

Keisha's Car

Keisha is a senior in high school who has her driver's license. She would like to purchase a mode of transportation of her own. She has enough money to purchase either a new foreign-made motorcycle or and old used car. She earns \$50 a week working part time as a checkout cashier at a local drug store. Up until now, Keisha has been saving \$20 a week, mostly towards college. She gets to school by a school bus and then walks nine blocks to the drug store after school. Her mother or father picks her up after work. She wants a car or motorcycle because of the freedom that it will provide in getting to school, to work and to see her friends.

In order to receive some additional thoughts on the subject, Keisha tells her family that she's thinking about getting a car or cycle. Her sister doesn't think it's a good idea. Why spend all that money when you don't really need to? She points out that Keisha won't be able to save as much for college because of the added expense of operating the vehicle and the cost of insurance. She will also have to take money from her savings to pay for the car or cycle. Both girls know their parents do not have much money to put toward a college education. Also, since each of her parents has a car, there has generally always been a car that Keisha could use in the evening to visit friends. Her sister, who is active in environmental matters, is opposed to Keisha buying an old car because of its lack of pollution controls.

Dad's concern is about safety. He points out that teenagers are statistically more likely to have accidents with motorcycles than with cars. He asks Keisha what kind of protection she will have against accidents or personal injury if she buys the cycle. He is also concerned about how safe mechanically a used car would be. Mom is opposed to Keisha buying a motorcycle because the one Keisha likes is manufactured in another country. She said " your purchase will be making jobs for people in another country".

Using the decision-making grid, determine what you think Keisha should do. Be sure to look at all the concerns mentioned. You may also think of others.

Handout 2-B

Name _____

Decision-Making Process

Step 1 - State the problem _____

Step 2 - List the alternatives indicated in the case study. Use the grid below.

DECISION-MAKING GRID

	CRITERIA						
ALTERNATIVES							

Step 3 - List the criteria state by the members of Keisha's family.

Step 4 - Evaluate each alternative in terms of each criteria. (Mark a plus, minus or zero in the appropriate boxes to indicate your assessment.)

Step 5 - Select the best choice for Keisha.

Explain why your choice is the best one for Keisha.

Handout 2-C

Purchasing My Car

Situation 1

Loan is a high school senior. She has a savings account of \$3,100. She has a part-time job earning \$85 per week. During the summer her job pays \$190 per week. She will be attending secretarial school in the fall and plans on keeping her part-time job.

Situation 2

Charles is a college senior. He will be graduating in 1 month. He has accepted a job in the Twin Cities with a starting salary of \$27,900 per year. He has \$1,500 in savings.

Situation 3

John and Maggie have 2 children. Until recently, John worked and Maggie was completing her degree at the University of Minnesota. Maggie just graduated and has a part-time teaching position earning \$14,500 per year. She has always used mass transportation. The location of her school and the location of the day care facility for her children make it extremely difficult to ride the bus. Maggie's take home pay is \$1,190 per month. Day care is \$400 per month. She needs to buy a car. John and Maggie do not have any savings.

Situation 4

Mark is a high school junior. All his friends have cars. He wants one also. He has \$350 in the bank. He makes \$65 per week at a part-time job.

Situation 5

Sherrie is a high school junior. She lives in a major metropolitan area. Mass transportation is available. She has the choice of subway or bus. Sherrie just got a summer job working 4 days per week downtown. She will earn \$150 per week after taxes. She has \$850 saved in the bank. The subway fare is \$1.15 each way. Bus fare is \$1.25 each way. Each leaves her 4 blocks from work. She can park her car at no charge.

HOUSING

UNIT 3

A PLACE TO CALL HOME

UNIT LEARNER OUTCOMES:

Upon completion of this unit, the student will be able to:

- A. Use the decision-making process to reach a decision.
- B. Become aware of the fact that for successful money management an individual, family, or organization must anticipate and plan expenditures within the limits of income.
- C. Recognize the need for carefully planned family financial planning.
- D. Prepare a receipts and payments register for a family.
- E. Determine whether a family has lived within their budget.
- F. Analyze a case study, using decision-making skills.
- G. Use the resources made available by the *Minnesota Office of the Attorney General* to solve problems involving tenants and landlords.

LEARNER OUTCOMES

Competency Statements Addressed:

Graduation Outcome A, competency #1
Graduation Outcome B, competency #2
Graduation Outcome G, competency #6

MATERIALS

Newspaper

Brochure - *Landlord and Tenants - Rights and Responsibilities*

Handouts 3A-3C

Case Study (included)

Newspaper article (included)

ECONOMIC CONCEPTS

Opportunity Cost is the foregone benefit of the next best alternative when scarce resources are used for one purpose rather than another.

Trade-offs involve accepting or choosing less of one thing to get more of something else. Individuals who choose one good or service instead of another, or more of one thing and less of another, are making a **trade-off**.

SECTION A

Cynthia's Quandary

Unit Learner Outcomes: A

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 1 class period

Procedure

Cynthia has to make a decision about how she will spend Sunday afternoon and evening. Her three choices are:

1. Working for 7 hours at a local fast-food restaurant for \$4.25 per hour. (Her prom is in 3 weeks.)
2. Doing her homework and studying for an exam in biology. (She has a 70 average.)
3. Going to a rock concert which will cost her \$25. (She has all the group's albums but has never seen the group play live.)

Following the 5 steps of the decision-making model, used in Unit 2, have students make suggestions concerning the best decision for Cynthia.

SECTION B

Family Budgeting

Unit Learner Outcomes: B,C,E,F

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 2 class periods

Procedure

1. Using handout 3-A, explain to students the many categories used in budgeting.
2. Discuss the need to prepare a family budget and reasons for living within a planned budget.
3. Distribute handout 3-B. Using handout 3-B as a guide, have students review the budget Jason and Lori have prepared.
4. Using Handout 3-B as a guide, have students complete a payment and receipts register.
5. Discuss different options Jason and Lori may have in planning their budget.

SECTION C

Sally B. Tenant

Unit Learner Outcomes: G,H

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law, Home Economics

Time: 1 class period

Procedure

1. Using Case Study handout 3-D, and the pamphlet, *Landlord and Tenant's: Rights and Responsibilities*, have students solve Sally's problem.

2. Discuss options Sally has and where she can go for help.
3. Distribute article 3-A. Have students work in groups to list suggestions for solving Kathleen's problem with housing.
4. Have students share their suggestions.

Assessment

Have students write a play. The theme should center around the study of budgeting and housing. If video equipment is available, have students video tape their play.

Handout 3-A

Classifying Payments

Because there are so many different types of payments, it is much easier to combine the ones that are similar and record them in one place. Adults and families usually spend their money for: food, clothing, transportation, utilities, housing, recreation, education, gifts and contributions, health and personal items, insurance, and savings and investments. The following list describes the kinds of payments that would be included in each category.

Food	Clothing	Transportation	
groceries	clothes	car payments	
meals away	shoes	car reparis	
from home	laundry expenses	gas and oil	
	dry cleaning	bus and taxi fares	
		parking	
Utilities	Housing	Gifts & Contributions	Recreation & Education
electricity	rent	church	vacations
& gas	mortgage	charities	magazines,
telephone	property taxes	presents	newspapers, and
heat	furniture	greeting cards	books
water	household		movies, plays
sewer	supplies & equipment		sporting events,
			records, hobbies
			tuition
			school supplies
Health & Personal	Insurance	Savings & Investments	
medicine	car insurance	savings accounts	
dentist	life insurance	stocks and bonds	
doctor	homeowner's		
toiletries	insurance		
haircuts	health insurance		

Handout 3-B

The monthly budget for the Goldberg family is shown below. Jason Goldberg works full time and his wife, Lori, works part-time.

Monthly Budget	
Estimated Receipts	Estimated Payments
Jason's net pay \$1120.00	Fixed Payments
Lori's net pay 380.00	Mortgage payment \$340.00
	Car payment 87.00
	Car insurance 36.00
	Life insurance 37.00
	Homeowner's insurance 29.00
	Flexible Payments
	Food 275.00
	Clothing 100.00
	Gas and oil for cars 70.00
	Telephone 25.00
	Gas and electric 60.00
	Furniture 60.00
	Health and personal 70.00
	Gifts and contributions 60.00
	Recreation and education 100.00
	Savings 150.00
Total Estimated Receipts <u>\$1500.00</u>	Total Estimated Payments <u>\$1500.00</u>

- Prepare a Receipts and Payments Register for the Goldberg family for the month of November. Begin by entering the estimated budget amounts in the spaces provided in the columns of the register.
- Record the Goldberg family's cash balance of \$319.87.
- Record the Goldberg family's actual receipts and payments for the month of November.

- Nov. 1 Paid \$87.00 for the car payment, \$60.00 for the gas and electric bill, and \$36.00 for car insurance.
- 2 Paid \$7.50 for submarine sandwiches and \$10.00 for gasoline.
- 3 Paid \$18.99 for basketball sneakers and \$5.00 for a piano lesson.
- 4 Paid \$7.00 for gasoline, \$22.95 for a birthday present, and \$15.00 for the dentist bill.
- 5 Jason received his wages of \$1120.00 and Lori received her wages of \$380.00.
- 5 Paid \$67.50 for groceries, \$9.00 for gasoline, \$12.00 for entertainment, and put \$75.00 in savings.
- 6 Paid \$2.00 to the newspaper carrier, \$2.19 for toothbrushes and toothpaste, and gave \$5.00 to the temple.
- 7 Paid \$1.00 for the Sunday paper.
- 9 Paid \$8.00 for gasoline and \$38.00 for life insurance.
- 10 Paid \$5.00 for a piano lesson.
- 12 Paid \$72.35 for groceries and \$7.99 for a belt.
- 13 Paid \$7.00 for gasoline, \$2.00 to the newspaper carrier, \$5.00 for a haircut, and gave \$5.00 to the temple.

Handout 3-B

- 14 Paid \$1.00 for the Sunday paper.
 - 15 Paid \$59.95 for a lamp.
 - 17 Paid \$9.00 for gasoline, \$5.00 for a piano lesson, and \$16.50 for flowers and a get-well card.
 - 19 Paid \$62.40 for groceries, \$45.00 for a jacket, and put \$75.00 in savings.
 - 20 Paid \$5.00 for gasoline, \$30.00 for entertainment, \$2.00 to the newspaper carrier, \$12.00 to the hairdresser, and gave \$5.00 to the temple.
 - 21 Paid \$1.99 for stockings and \$1.00 for the Sunday paper.
 - 22 Paid \$8.00 for gasoline and \$32.00 for a doctor bill and a prescription.
 - 24 Paid \$29.18 for the telephone bill and \$5.00 for a piano lesson.
 - 26 Paid \$67.15 for groceries and \$10.00 for gasoline.
 - 27 Paid \$24.99 for a pair of pants, \$2.00 to the newspaper carrier, and gave the temple \$5.00.
 - 28 Paid \$15.50 for entertainment.
 - Nov. 30 Paid \$340.00 for the mortgage payment and \$29.00 for homeowner's insurance.
- d. Pencil foot, crossfoot, and total the columns.
- e. Rule the register.
- f. Find the new cash balance and record it on the next line of the register for December 1.
- g. Did the Goldberg family spend more, less, or exactly the same amount as their estimates for each of the items listed below? If the amounts are not the same, what is the difference?
- (1) Food
 - (2) Clothing
 - (3) Transportation
 - (4) Utilities
 - (5) Housing
 - (6) Health and personal
 - (7) Gifts and contributions
 - (8) Recreation and education
 - (9) Insurance
 - (10) Savings and Investments

Handout 3-C

Sally B. Tenant was excited about moving to her own apartment in the fall. She had worked hard all summer at a local drive-in to earn some money for her education and apartment living expenses. She knew she would have to have some money saved for a security deposit and the first month's rent in advance.

In August, Sally enrolled at a trade school and started looking for an apartment that would be in the same neighborhood as the school.

Harry Landlord showed a cheery one-bedroom apartment to Sally and explained that parking and utilities would be included in the monthly rent. Harry told Sally it would be necessary for her to sign a six-month lease if she were to take the apartment. Sally was very pleased with the apartment so she took the lease, briefly glanced at it and then signed it.

After five months Sally decided that the school she was attending was not for her. She called her parents and said she wanted to move home while she decided what she wanted to do in the future.

On December 6th, Sally talked to the landlord and verbally explained she was giving notice that she would be leaving at the end of January. Harry gruffly told her to "read your lease".

Sally went to her apartment to search for her lease. She found a clause under "notice for vacating the premises" that said she must give a written notification to the landlord 60 days prior to vacating. Sally was surprised to read that she would be held responsible for an additional month's rent for not giving proper notice. She didn't have enough money for an additional month's rent.

Sally called her friend Eddie to come over to talk to her about this mess she was in. Eddie tried to find a place to park in front of the apartment building but couldn't because of the snow emergency. He ended up parking in front of a parking spot on the apartment premises that had a heater core that could be plugged into the car to heat it. He didn't see any notification signs about not being able to park in that particular spot.

After several hours of talking and watching TV, Eddie and Sally decided to go out for a snack. When they got to the back of the building they saw Eddie's car being towed down the alley.

In the lease was a clause that stated that parking in stalls equipped with heating plugs was not permitted unless the tenant had made arrangements to do so at the initial signing of the lease. Otherwise, any motor vehicle found in those stalls was unauthorized to park there and would be towed.

Eddie had to call a taxi to go home that night. It cost him \$100 to get his car back from the towing company the next day.

Sally was furious as she placed a call to a tenants' union hotline for information. She considered not paying the rent for the month of January. Eddie also wanted to know about his car.

"I'm in a wheelchair, and use an electric cart and I'm deaf, but that doesn't mean I don't have hold of my faculties, and have my rights."

— Kathleen Kidder



Staff Photo by Jeff Wheeler

Kathleen Kidder sat in her apartment in a senior-citizen highrise in Minneapolis.

54

Tenant unions help renters tack

By Ingrid Sundstrom
Staff Writer

Kathleen Kidder didn't like it when her landlord's caretaker yelled at her last spring, and she also felt harassed when she was moved around while some minor renovations were made in her south Minneapolis apartment building.

"I'm in a wheelchair, and use an electric cart, and I'm deaf, but that doesn't mean I don't have hold of

my faculties, and have my rights," said Kidder, 74.

With the help of the Minnesota Tenants Union in Minneapolis, Kidder wrote letters outlining her complaints and was able to have a meeting with the landlord. Now, she said, life is better. The caretaker is still there, but she doesn't yell anymore, and Kidder is left in peace in her apartment.

"It's a nice apartment, so I didn't

want to move," she said.

Kidder's case was one of about 6,000 complaints the Minnesota Tenants Union, also referred to as the Minneapolis Tenants Union, handles annually. The St. Paul Tenants Union deals with about 10,000 complaints and inquiries each year. Both were founded in 1969 with the aid of VISTA (Volunteers In Service to America, the domestic counterpart to the Peace Corps) and remain advocates

for tenants' income ten with their r lawyers and

The groups education p rights and r major polit renters, such preserve fee housing and encourage s enforce hou



in Minneapolis.

rs tackle problems

for tenants' rights, usually low-income tenants who aren't familiar with their rights, can't afford lawyers and often are vulnerable

The groups also support public-education programs about renters' rights and responsibilities, and major political issues involving renters, such as a recent drive to preserve federally subsidized housing units. The two agencies encourage suburbs to adopt and enforce housing codes and housing-

inspection services

Tenants' unions, funded with city and state subsidies plus private grants and donations, are among the low-cost alternatives (memberships are \$5 to \$12, depending on the member's income) for renters to learn about their rights and find advocates to help them communicate and negotiate with their landlords

Tenants continued on page 2B

Continued from pag 1R

The Minnesota Attorney General's Consumer Protection Division also takes landlord and tenant queries and complaints on its consumer hot lines and mails out about 50,000 free copies annually of its 40-page Landlords and Tenants Rights and Responsibilities handbook, said the division's director, Curtis Loewe.

He said his office attempts to counsel landlords and tenants on their problems and concerns, will take formal complaints and refers people to the housing courts in Hennepin and Ramsey counties.

And the Minnesota Multi Housing Association (MMHA), made up of 1,500 apartment-building owners, managers, developers and service suppliers, is another information and liaison source for renters and landlords. It also has a free Renter's Hotline to answer renters' and landlords' questions, and provides a mediation service to help resolve tenant-landlord disputes.

"Most of our calls come from tenants, although we do get some from landlords," said Jack Horner, MMHA legal counsel. "We don't support bad landlords. We all have the same goals — we're providing a service to our customers, that is, rental apartments. Most landlords want to be good to their customers, to keep them, but there sometimes are bad ones, and sometimes there's a communication problem. We also

know there are a lot of folks out there who aren't very well-equipped to take care of themselves, to resolve problems in our lives.

"That's where we're trying to help, and I hope the Tenants Unions are also. There needs to be education of tenants, just as we provide information and classes to owners and managers about how to run a good building, collect rents, take care of customers, provide good service."

Most renters' complaints involve apparently broken promises, return of security deposits, evictions, harassment by landlords and such problems as infestations by roaches or mice, malfunctioning appliances or poor heating, said Kirk Hill, director of the Minnesota Tenants Union.

Joan Pearson, director of the St. Paul Tenants Union, said most complaints come from renters in poorer neighborhoods, single parents, young families, many seniors. Eighty-five percent of the people who use the services have incomes of less than \$20,000; 46 percent have incomes under \$10,000, she said. The Minnesota Tenants Union's constituency is similar, Hill said, but it doesn't have specific statistics.

Pearson, whose office does quarterly follow-up calls to members, said 96 percent of the members surveyed said their complaints were adequately resolved. Hill said his office doesn't track complaints or

their resolutions, but. "We do know that people get the repairs they needed made all the time. They win in conciliation court. We also know people learn to resist intimidation by landlords. I got out of social work 20 years ago to do this because I wanted to see some results, and we see results."

The renter resources try to help renters clearly define their problems and concerns, in order to communicate them in writing to the landlords. They also advise renters about their rights to safe, sanitary housing, and may direct them to appropriate legal routes, such as conciliation court, low-cost legal services offered by counties or Legal Aid societies, or housing court. The agencies also will occasionally have a volunteer accompany a tenant to court in rights disputes.

The Minnesota Tenants Union keeps a list of problem landlords, which "probably numbers in the thousands," Hill said. The St. Paul agency doesn't have such a list, although volunteers answering the hot line will tell callers if they recognize a name as a problem landlord. Pearson said.

One new tool for renters is a state rent-escrow law that allows those who have proof of attempts to get landlords to make repairs or obey other lease provisions, to withhold rent and deposit it into the new housing courts in the metropolitan areas or district courts elsewhere.

In this process, a hearing is scheduled, and both sides can present cases. If a landlord is found to be at fault, the court can order repairs or fulfillment of promises before paying the rent, Hill said.

"It allows for a much quicker and effective resolution of disputes, especially in cities that don't have housing codes (where a city inspector can be called in to order repairs done)," he said. "In the past, withholding rent was a difficult situation, because a landlord could begin eviction proceedings for nonpayment of rent. With the full rent held by the court, this can't happen."

Occasionally tenants and landlords can find themselves on the same side, said Horner. One MMHA member recently attempted to evict a tenant who she believed was selling drugs from his apartment. Although armed with a petition signed by about four dozen other tenants in her building, she lost her case in Hennepin County Housing Court, Horner said, because all of the evidence about the drug-selling was hearsay and thus inadmissible.

"It's a difficult situation," Horner said. "She's losing good tenants because of this bad tenant, who has people knocking on his door every five minutes at all hours. But the caretaker is afraid of the tenant, and so are the other tenants."

"I think landlords and tenants will have to work together to get renters involved in their neighborhoods. It's easy to see how renters are perceived as second-class citizens. They don't have political clout, so property taxes on apartments are 3.6 times higher than on single-family homes. But they'll have to begin banding together to keep neighborhoods together. They really can be a powerful force."

Empowering renters, at least individually, is a goal of the tenants' unions, Pearson said. And the groups are working on empowering renters as a whole, too, she said.

For instance, the St. Paul Tenants Union has become the administrator for the Community Stabilization Project in St. Paul, a coalition of community action and neighborhood groups, which is addressing concerns about absentee-owned, run-down apartment buildings and drug trafficking.

The project is working with block clubs and tenant groups in the Summit-University neighborhood and the Frogtown neighborhood in St. Paul that can identify buildings where these problems might occur, Pearson said.

Hill's group has been working in suburban cities to get housing codes and housing inspectors into city laws

"Edina has no housing code, but say they have no problems. But we get calls from tenants in Edina. They need a code and inspectors," Hill said. "But we've really made some progress in some communities, Plymouth, for example. A new housing code is working its way through the city process in Plymouth now, so we expect they'll have one soon, and an inspector."

While Horner said most landlords do try to be good providers of quarters and services, the various hot lines tend to hear about the problem landlords.

"But as long as we hear about these problems, we'll be here to help," Pearson said.

Where to get information, help

Here's how to find information and help with resolving renter-landlord problems:

■ **Minnesota Tenants Union**, 1513 E. Franklin Av., Minneapolis, has office hours from noon to 7 p.m. Mondays, noon to 4:30 p.m. Tuesdays through Thursdays and 9-30 a.m. to noon Fridays and Saturdays. A hot line, 871-7485, is open from 10 a.m. to noon Monday through Thursday.

■ **St. Paul Tenants Union**, 500 Laurel Av., St. Paul, has office hours 9 a.m. to 5 p.m. weekdays (appointments preferred). The hot

line, 221-0501, is answered from 9 a.m. to 5 p.m. weekdays.

■ **The Minnesota Multi Housing Association Renters Hotline**, 927-8600, is open weekdays from 2 to 5 p.m.

■ **The Attorney General's Consumer Division citizens' assistance line**, 296-3353, is open from 9 a.m. to 4 p.m. weekdays. Call or write the division at 117 University Av., Room 124, St. Paul 55155, for a free copy of Landlords and Tenants Rights and Responsibilities handbook.

CONSUMERS AND THE ENVIRONMENT

UNIT 4

AN "ENVIRONMENTALLY FRIENDLY" CONSUMER

UNIT LEARNER OUTCOMES:

Upon completion of this unit, the student will be able to:

- A. Explain the importance of recycling in our community, state and nation.
- B. Design a recycling program for the school or community.
- C. Explain the economic concept of **derived demand** and how products and consumer preferences for products affect the environment.
- D. Discuss labeling and product claims of being "environmentally friendly".

LEARNER OUTCOMES

Competency Statements Addressed:

Graduation Outcome A, competency #1
Graduation Outcome B, competency #2
Graduation Outcome G, competency #6

MATERIALS

Newspaper

Brochure - *The "Environmentally Friendly" Consumer*

Article 4-A

Poster board, markers, glue, old magazines, poster paint

ECONOMIC CONCEPTS

Opportunity Cost is the foregone benefit of the next best alternative when scarce resources are used for one purpose rather than another.

Trade-offs involve accepting or choosing less of one thing to get more of something else. Individuals who choose one good or service instead of another, or more of one thing and less of another, are making a **trade-off**.

Derived demand is the demand for a good or service based on the consumer's voice in the marketplace. Consumers vote with their dollars when purchasing a good or a service.

SECTION A

Where can my garbage go?

Unit Learner Outcomes: A,B,C,D

Grade Level: 9-12

Subject Areas: Social Studies, Business Education, Business
Law Home Economics

Time: 2 class periods

Procedure

1. Distribute the pamphlet, *The "Environmentally Friendly" Consumer*.

Discuss options students have as individual consumers as to choices available in the marketplace.

-What are the **opportunity costs** associated with these choices?

-What are some **substitutes** consumers have when making these choices?

-What are the social **trade-offs** to the future and the environment if **substitute goods** are not selected?

2. Introduce the concept of **derived demand**. Have students make a list of goods or services they would like to change the demand for in the marketplace. Have them list **substitute** goods and services for each change they would like to make.

3. Distribute article 4-1, "Labeling Environmental Claims".

Discuss the points of view voiced by each of the people noted in the article.

-What should the local, state, and federal governments do about the laws governing the environment?

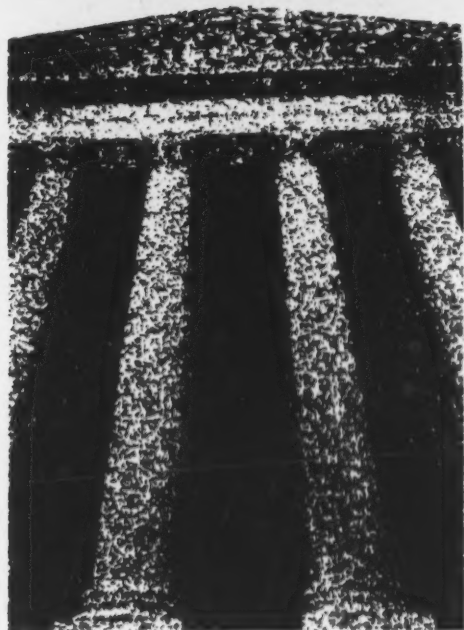
4. Have students develop a list of information regarding recycling in their community.

5. Develop a recycling plan for the school. Discuss **substitute goods** that would be necessary to implement the plan. What **trade-offs** would have to be made?

5(continued). Have the recycling plan in the school target either the school cafeteria, sporting event areas, or individual classrooms.

ASSESSMENT - UNIT 4

1. Have students design posters for elementary schools in the community. Posters should include facts and information on recycling, being an 'environmentally friendly consumer', and places to call for help and information.



THE FORUM

Labeling Environmental Claims

SPIC AND SPAN is cleaning up its act. For years, the Procter & Gamble cleanser has been biodegradable when treated by standard American wastewater facilities. Now the powdered version of the ageless product is available in a box made from recycled cardboard that is itself recyclable, and the liquid comes in a plastic bottle made from 100-percent post-consumer polyethylene terephthalate that can be turned into new PET products. Manufacturer P&G has noted these achievements both on its package labels and in its advertising—and readily admits that the company depends on consumers and local governments to recycle the packages and treat the soapy wastewater appropriately.

Not every company is as forthcoming as P&G, however. Hence, a number of independent product labeling proposals have been put forth by federal or local government agencies as well as private laboratories. Procter & Gamble shows that a manufacturer can go a long way toward making consumers educated customers. But others contend that only independent testing and evaluation can give buyers truly unbiased information. And there is still much debate about whether to look at specific product claims or to assess the environmental impact of all aspects of a product's manufacture, packaging, shipping, use, and disposal.

A number of countries have already begun independent environmental labeling programs using a variety of methods, and the United States is ready to follow suit. To help address the issues at stake, we have set up a roundtable discussion that features a nascent private American labeling organization, a state attorney general known for consumer advocacy, a person who helped another country develop its government labeling program and, of course, Procter & Gamble.

RCS
Green Cross
CERTIFIED

PRODUCT



Deborah D. Anderson is director of environmental coordination for the Procter & Gamble Company.

Let Consumers Make Up Their Own Minds

DEBORAH D. ANDERSON

WITH ALL THE loud and energetic noise of competing product claims in the marketplace, it pays to be a good listener. This applies not only to buyers but to manufacturers as well—particularly in the area of environmental claims. At Procter & Gamble, we listen daily to hundreds of consumers on the telephone, in letters, and through surveys. The message is clear: Tell us factual and useful information about how our purchase decisions will affect the environment. Tell us how the manufacturers of our favorite brands are reducing the adverse effects of the product's use and disposal. Tell us how we can support recycling locally.

Listening helps us to develop products and packages of real value to concerned consumers who want to reduce or minimize their environmental impact. So, we have been cautious in proclaiming environmental benefits, or marketing "environmentally certified" products. Instead, we have approached this area of environmental product labeling with the goal first of informing consumers about our initiatives. We believe that buyers, too, will listen—that consumer education, rather than any governmental or independent labeling program, is the best method for allowing citizens to become environmentally sophisticated buyers.

Our company cares deeply about the health of the planet. We want to do more, but we need the help of both the public and private sectors. The process of minimizing the environmental impact of consumer products is multifaceted. The reduction of solid waste, for example, involves not only developing products that use a minimum practical amount of packaging, a maximum practical level of recycled materials, and are themselves recyclable or compostable; it

also requires the development of new recycling and composting methods, the creation of the associated infrastructure, and the participation of consumers through source separation and office and home recycling. Product manufacturers must emphasize that consumer participation is essential—products and packages with minimum solid waste impact deserve buyer preference in purchase selections, and voters must support the creation of the new infrastructure required for the expansion of alternative waste handling methods.

Consumer education is the cornerstone of environmental advertising. However, valid standards for environmental claims must be grounded in scientifically proven environmental conditions, some of which are still being developed, such as the rate and extent to which certain materials degrade under actual landfill conditions. Obviously, a set of validated guidelines, applicable nationally and accepted broadly, is the ideal. But in areas where there is not yet a consensus, consumers should get enough information to make as informed a decision as possible. Many consumers are not aware, for instance, that products using recycled paper and plastics are creating new markets for packaging diverted from landfills. Information about these new developments, and the product standards that make the recycling possible, helps buyers evaluate the environmental claims manufacturers make about their use of recycled and recyclable materials.

Industry's ability to set realistic and useful standards would suffer, however, if citizen education were to be bypassed by other bodies that seek to evaluate products themselves. The worst case would be a multitude of different state or local definitions about what is environmentally preferable. Manufacturers would not be able to take advantage of economies of scale because they would have to meet different, potentially conflicting standards in different regions, raising the cost of the product. And buyers would also be hurt by the resulting confusion and the higher prices entailed by a plethora of standards.

Even on the national level, a government labeling program would likely result in the

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PRODUCT



from companies trying to protect the environment. To help them decide which products are truly environmentally superior, our own poll indicates, four out of five people would rely on a labeling program.

To meet that need, the leaders of several of the nation's largest and most respected environmental and consumer organizations have teamed up with business, government, and other interested parties to form Green Seal. Green Seal will evaluate products to see how much harm they cause the environment over their entire life cycle. Those that stand out as doing the least damage will receive a readily identifiable seal of approval.

There are two major reasons for an environmental labeling program. First and most important, a well-run labeling program can indeed make a major contribution toward solving our ecological problems. Recycled paper is an excellent example. A ton of paper made from 100-percent wastepaper rather than virgin pulp saves 20 trees, 4,100 kilowatt-hours of electricity, 7,000 gallons of water, and 60 pounds of potential air pollutants. A well designed green labeling program can not only encourage recycling but can steer consumers to products made at manufacturing plants that have reduced or eliminated the release of such toxic paper by-products as dioxins and PCBs. By using the environmental equivalent of the Underwriters Laboratory label, buyers can shop intelligently and thereby spur business to produce more products that lessen damage to the biosphere.

Second, a labeling program can help bring truth to environmental advertising. Without a neutral arbiter of what is environmentally responsible, the market will be left to its own devices. As is readily apparent from a look at any newspaper or a walk down any supermarket aisle, many companies already are working hard to proclaim their products as "environmentally friendly," "recycled," "biodegradable," "natural," "ozone friendly," or simply "green." Unfortunately, too many of these claims are turning out to be false, misleading, or irrelevant. A roll of paper towels was given a supermarket chain's green endorsement although its only

apparent environmental virtue is a cardboard core made of recycled materials. Plastic bags are being labeled degradable although they will almost certainly end up in a landfill where they will degrade very slowly and even then only into smaller pieces of plastic. Other products claim to be "ozone safe" although they contain methyl chloroform, which the EPA estimates is responsible for 16 percent of the ozone-destrating chlorine currently in the stratosphere. An independent national labeling program can help keep the market honest.

The federal government, of course, could set the standards and conduct the product evaluation, as it does in other areas such as foods and pharmaceuticals. But a federal labeling initiative seems likely to be slow and highly politicized. One can only imagine how long it would take a government labeling agency to produce seals of approval in the face of political review by the Office of Management and Budget, restrictions imposed by such laws as the ill-named Paperwork Reduction Act, and congressional oversight hearings conducted by committees whose members' districts contain affected industries. As is the case with much existing environmental legislation, there would be enormous pressure to issue standards that large numbers of companies can attain rather than standards that reward the relatively few firms that are actually committed to producing superior products. Last, it is hard to imagine, in this time of burgeoning deficits, federal spending being committed to a task that can be performed by the private sector.

An independent labeling program would clearly work, to the advantage of consumers, business, and the environment itself. Companies in other countries are already developing green products under the impetus of foreign labeling programs in Australia, Canada, Czechoslovakia, Germany, Japan, and the Nordic countries. And foreign competitors are already moving to gain the upper hand over American businesses among environmentally conscious consumers. Without an American labeling program, our industries may not have sufficient incentive to compete globally in the environmental area.

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PRODUCT



eco-labels have, in some cases, become an alibi for a lack of political action. Rather than addressing an environmental problem squarely, environmental labeling programs may permit legislators and others to be satisfied with a system of *caveat emptor*. For example, instead of banning products with chlorofluorocarbons or asbestos, they are permitted into the marketplace alongside competing products labeled "CFC free" or "asbestos free."

Despite these criticisms, the Blue Angel program has been a step forward in green consumerism. And the movement is spreading. Since Germany embarked on its program in 1978, several other European countries have adopted labeling systems, as well as Canada and Japan. Canada, for instance, launched its Environmentally Friendly Products program in 1987, organized and administered by Environment Canada, a governmental product-labeling agency. Unlike the German program, it evaluates the entire life cycle of a product for its environmental impact. Hopefully, the Blue Angel program will adopt this approach.

Environmental labeling promises to spread even further. With various improvements, it should become increasingly accepted by consumers and businesses alike. Although it cannot accomplish it alone, environmental labeling could be one step toward an alternative way of living that will help create a sustainable future. □

count for more than 10 percent of all new products. By 1995, green products could rack up \$8.8 billion in annual sales.

The explanation for this change is simple: advertisers have identified a new opportunity to increase their market share. A 1989 survey conducted by the firm of Penn and Schoen found that 78 percent of Americans are willing to pay more for goods in packages made with recyclable or biodegradable materials. In another poll by the Michael Peters Group, 50 percent of all consumers surveyed said that they had rejected a product in the preceding year because of environmental concerns. Consumers' attitudes are perhaps best summed up by a study conducted by *Ad Week* magazine last May which concluded that concern about the environment is "universal": 96 percent of buyers surveyed reported that environmental factors play a very important role in their purchasing decisions.

Manufacturers should be encouraged to develop products that are "environmentally friendly." Unfortunately, it is often difficult to distinguish between goods that offer a real environmental benefit from those that are simply making exaggerated claims. In short, the green revolution is threatened by too many gray areas.

This is due, in part, to the complexity of the scientific issues involved. A product that is environmentally preferable in one respect (because it is energy efficient) may also be harmful in another respect (because it may cause disposal problems). In addition, rapidly advancing technologies cause further confusion: this is perhaps best illustrated by the rather brief interest in supposedly biodegradable plastics.

As the *Adweek* public opinion study found, public knowledge about environmental issues is still very general and non-scientific. Consumer desire to "do the right thing" is far ahead of their understanding of how to achieve that goal.

In other words, buyers are very vulnerable to exaggerated product claims. This is aggravated by the amorphous vocabulary of environmental marketing. Frequently used terms have no clear, uniform definition. For instance: What does it mean to put the claim



Hubert H. Humphrey III
is attorney general of
the State of Minnesota.

Making Sure Green Claims Aren't Gray

HUBERT H. HUMPHREY III

IN THE LAST few years, store shelves have become bulletin boards for environmental messages. Last year alone, 5,700 new products touted green claims. Within another year or two, products marketed with environmental claims will ac-

Three Day Cooling-Off

Many Minnesotans believe that the three-day "cooling-off" law applies to an auto purchase. *It does not!* That law, the Home Solicitation Sales Act, applies only to sales made somewhere other than at the seller's usual place of business, usually your home. Once you sign an auto contract, you are obligated.

SERVICE CONTRACTS

In case you're offered an "extended warranty" at an additional cost, you should be aware this is NOT a warranty at all; it is a service contract. Most provide very limited coverage for the car. You should read the service contract carefully and compare its coverage with that provided by the manufacturer's warranty before deciding whether you want to buy this coverage.

FINANCING

If you are buying a car, you're likely to be buying financing as well. The main rules of buying apply here too. First of all, shop around. You don't have to finance a car where you buy it, although many dealers offer their own financing. Get a quote from different lending sources and compare your total costs, including the interest rate, and the final total cost including interest. Check to see if there are pre-payment penalties or balloon payments and whether or not credit insurance is required. Credit insurance is almost never required, so don't buy it if you don't want it. If the dealer does require credit insurance, you should keep in mind that you may assign an existing insurance policy or purchase the insurance from another source.

Read everything in the loan agreement before you sign!

PROTECT YOURSELF

Don't be swayed by pressure selling and don't be rushed. The purchase of a car is a major investment, and it is worth your time to carefully consider what you are buying.

IF YOU HAVE A COMPLAINT

After you have your car, complain to the dealer if it doesn't work properly, or if he or she doesn't keep the promises made. Talk to the seller, the sales manager and the head of the business, if necessary. Minnesota's new "lemon law" gives you legal rights and lays out specific steps you can take for the repair and/or replacement of a defective new car, in certain situations.

FOR FURTHER INFORMATION

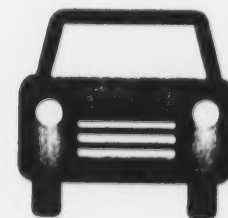
Contact the Minnesota Attorney General's Consumer Services Unit.

In St. Paul: 117 University Avenue
St. Paul, MN 55155
(612) 296-3353

In Duluth: 708 Government Services Center
320 West 2nd Street
Duluth, MN 55802
(218) 723-4891

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BUYING A NEW CAR



MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

GET THE FACTS

Buying a new car is a major purchase for consumers and there is more to it than kicking tires and looking under the hood. First, you should ask yourself, "What do I need and what can I afford?" Then begin to shop around. Find out what is available in your price range and what size and type of car will fit your needs. Check magazines such as *Consumer Reports* or *Consumer Research*, which are available at local libraries. These magazines rate each car on reliability and other factors, as well as report on options. They can help you narrow your choice of makes, models and the extra-cost optional equipment. They also tell you the actual dealers' cost for the car and options, which may be useful information when negotiating price.

Ask friends, relatives or co-workers who own the kind of vehicle you're thinking about to find out if they're satisfied or disappointed with the car.

WHERE TO BUY

Reputation

Besides finding the best price on a car, smart consumers should also consider the reputation of a dealer. Does the dealer provide good, reasonable services and have a good reputation for customer relations?

To check on the business history of a dealer, contact the Better Business Bureau or other consumer agencies. Talk to friends, relatives and acquaintances who may have done business with the dealer and ask their opinions about the firm's dependability and responsiveness to service needs.

Convenience

Consider whether the dealer is in a convenient location from your work or home. This could save you time and fuel costs when you need to return the car to the dealer for service. Sooner or later your car will need

some repair work, so this is an important item to keep in mind. If you have trouble getting off from work, you might consider buying your car from a dealer whose service department is open on Saturdays or week-day evenings. Some dealers give preference to those customers who bought their cars from them. If possible, try to meet and talk with the service manager before you buy a car. Ask about the availability of "loaner cars" which some dealers provide when repairs on your car can take a day or more to complete.

THE PRICE STICKER

Federal law requires a price sticker to appear on every new car. Make sure you understand all the charges listed and that the car includes the options you have decided you want. Be sure to check the price sticker to see if the list price includes dealer preparation. On some models it is included and on others it is a separate charge.

MILES PER GALLON (MPG)

Every new car is given a miles-per-gallon (MPG) rating which allows consumers to compare the fuel economy of different models. You should be aware that all models are tested under ideal conditions, so don't be disappointed if the car you buy runs several MPG's lower than the rating. Your driving habits, how you maintain your car, car accessories, climate and road conditions will all affect your car mileage. The MPG ratings are valuable, however, for fuel economy comparison among new cars.

TEST DRIVE THE CAR

Always take the opportunity to test drive the car you want to buy. Give the car a thorough test drive to determine handling and performance. Try to vary the road conditions and drive it under conditions similar to the ones you usually drive on.

THE NEGOTIATIONS

After doing some homework on a car, shopping around and comparing prices, you should be able to seriously deal with the new car dealers. Be sure you know the price factors and options, and always keep in mind how much you can really afford to spend on the car.

The Trade-in

If you own a good, well-maintained car that you will trade-in (use as a down payment), you should know its value. To determine the value, go to any financial institution and ask the loan manager to look up the price figures in the "Blue Book". These figures are compiled on the wholesale value of vehicles or what the financial institution would lend you to buy the car. Remember, though, the value of your trade-in is somewhat flexible, as is the new car price.

THE CONTRACT

Before signing the dotted line, carefully read the contract. Read everything in the contract, including the fine print. Make sure everything you and the dealer have agreed to is included in the contract. Make sure you get both the salesperson and the dealership manager's signature on the contract, otherwise it may not be valid. If you're ordering a car which is not in stock, make the order contingent on a reasonable delivery time, such as four to six weeks. Make sure all portions of the contract are filled in before you sign.

Deposits

Before signing a purchase contract, you will be asked to make a deposit on the car to insure you are serious about buying it. If you change your mind after this point, the seller has a legal right to keep the deposit. If you're not sure this is the car you want, don't put a deposit on it because you will not get your money back.

For further information or to file a complaint against a collection agency, contact the Minnesota Department of Commerce, Enforcement Division, 500 Metro Square Building, St. Paul, MN 55101. The number to call: (612) 296-6789.

or

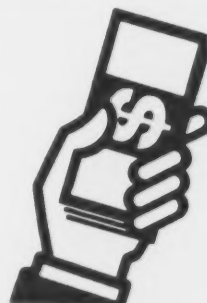
Contact:

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COLLECTION AGENCIES



MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY III
ATTORNEY GENERAL

No law relieves you from having to pay your debts. But knowing your rights can help you in the sometimes stressful and expensive business of dealing with collection agencies.

Most collection agencies are legitimate, law-abiding businesses. A few, however, step beyond what the law allows in their pursuit of debts and debtors. State and federal laws set tough limits on the practices of those who are in the business of collecting debts for others. The following is a summary of the kinds of collection tactics which are permissible and the protections that are available to you:

- If you dispute the amount of a debt, or believe that you don't owe a debt at all, you can require the collection agency to provide proof of the debt by sending it a written request. If you do so, the collection agency must stop collection efforts until the debt is verified.
- You have the right to stop all collection attempts, at home or at work, by informing the collection agency in writing that you no longer wish to be contacted. Once you do that, the agency can only contact you to tell you that it is discontinuing its collection efforts, or that it is going to take some other action such as suing you on the debt.
- Debt collectors cannot "harass" you. This does not mean they cannot call you and urge you to pay your debt; but they cannot intimidate you, use abusive language, call in the middle of the night, threaten physical force, or use other outrageous methods. In addition, they cannot threaten legal action unless they actually intend to follow through.

- Debt collectors cannot hold you up to public ridicule. This means they cannot drive through your neighborhood in a car bearing a sign which says that you don't pay your debts. Moreover, a debt collector cannot contact your neighbors or any other third person while trying to collect a debt from you except to locate you. Even then, the collection agent cannot reveal to them that he or she is trying to collect a debt. Debt collectors cannot even use postcards to collect debts, or use envelopes which obviously come from a collection agency.
- Debt collectors cannot garnish your wages or seize your property unless they have sued you and won a judgment. You have a right to a trial before anyone can take your property.
- Collection agents cannot use guile or otherwise make false or misleading statements when trying to collect a debt. This includes posing as attorneys or government agents, using simulated legal documents bearing false names, or threatening to take legal action which is not within their power.
- Suing a collection agency. Collection agency laws also have teeth. If you are subject to illegal collection agency tactics, you can sue the collection agency to recover actual damages plus punitive damages up to \$1,000. Federal law also gives you the right to recover attorney's fees if you are successful in your suit against the collection agency.

IF YOU'RE STILL NOT SATISFIED

After making these efforts, if you are still not satisfied with the seller's response to your trouble, you may wish to file a complaint with an appropriate consumer agency. Submit your complaint in writing. Most such agencies — and this includes the Consumer Services Unit of the Attorney General's Office, and the Better Business Bureau — will contact the business for you and ask for a solution to the problem.

While many times this is sufficient to get a constructive dialogue going between consumer and company, problems are not always resolved to the consumer's satisfaction. Indeed, if all these efforts do not lead to a satisfactory resolution of your problem, you may wish to file your complaint in Conciliation Court where you do not need an attorney. The maximum claim you can seek through Conciliation Court is \$2,000. The Clerk of Court will help you file your complaint.

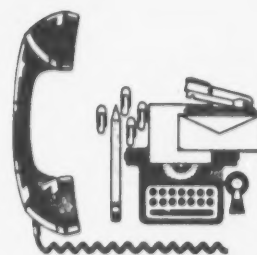
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CONSTRUCTIVE COMPLAINING



MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

Dissatisfied with a product you just purchased? Before you start thumping the table or threatening court action, complain . . . constructively.

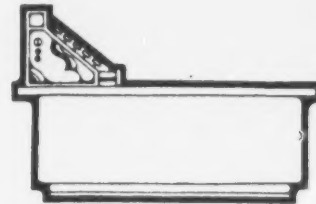
BEFORE YOU ENTER A TRANSACTION

- If you're making a purchase, ask about the store's policy on refunds, repairs, exchanges and guarantees. If you're buying a service, ask about warranties and guarantees.
- For either a purchase or service, save all receipts, contracts, warranties, instructions or advertisements.
- For major purchases, write down the name of the salesperson with whom you dealt.

IF YOU RUN INTO PROBLEMS

If you do run into a problem with a transaction or purchased item, you should move to resolve it as soon as possible — while the facts are still fresh in your mind.

- Mentally organize your complaint. Be specific about the nature of your problem.
- Gather together your supporting facts and documents.
- If the source of the trouble is a product, stop using it. Protect its present condition, and, if it's not too late, save the original box or container.
- Decide what you will ask the company to do: Will you ask that the product be repaired or replaced? Will you want your money refunded? Should you ask that your warranty be extended or corrective services rendered?



CONTACT THE APPROPRIATE PERSON

Once you've taken these preliminary steps, you may want to start your complaint "offensive" by contacting the salesperson who handled the purchase. If this person does not satisfy you, ask to talk with the supervisor or manager of the store. If necessary, go to a higher level of authority. If the firm is small, this might be the owner. If it is a larger company, this might be someone in the customer relations department or a regional representative.

PRESENT YOUR CASE CLEARLY AND SIMPLY

In all cases, explain the problem clearly and without hesitation, courteously but firmly. Keep a complete record of your complaint. Save copies of any correspondence you send to the seller or manufacturer and any response which you receive.

CONSIDER OFFERS TO SETTLE

Carefully consider any offer to settle your complaint. If your demands are not fully met, you may wish to propose a fair partial settlement. In some situations a compromise solution may be better than no solution at all.

Shopping Hints:

Choose Products With Minimum Packaging

- Buy in bulk
- Buy concentrates and refills
- Avoid paper or plastic bags for just a few items

Buy Durable, Long-lasting Products; Avoid Disposables

- Cloth or string shopping bags
- Cloth napkins
- Silverware
- Cloth diapers
- Multiple-use razors and lighters
- Rechargeable batteries

Encourage Recycling

- Buy packaging that is recycled in your community
- Buy products in recycled packaging

Save Energy

- Buy compact fluorescent light bulbs
- Buy a "low flow" shower head

WHAT YOU CAN DO:

THE FOUR R's

REDUCE the amount of waste you produce

REUSE as much as possible

RECYCLE products that are recyclable

REJECT products with excessive packaging and products that are hazardous to the environment

Printed on 50% recycled paper using soybean-based ink.



THE "ENVIRONMENTALLY FRIENDLY" CONSUMER

A SHOPPER'S GUIDE



From the Office of the
Minnesota Attorney General

HUBERT HUMPHREY III

A CLOSER LOOK AT THE ENVIRONMENTAL SALES PITCH

**Many products
claim to be
"environmentally
friendly." How can you
determine if a product
is truly better for the
environment?**

**Here are some
questions to ask
yourself when
shopping.**

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"Environmentally Friendly" or "Safe for the Environment"



Does the label explain why the product is "friendly" to the environment? If not, try calling the manufacturer to find out. Most companies now have 1-800 numbers to answer consumer questions. A product advertised as "environmentally friendly" without any explanation may be nothing but hype.

"Degradable," "Photodegradable" or "Biodegradable"



A photodegradable product will break down when exposed to a significant amount of sunlight. A biodegradable product will degrade if exposed to air, water and micro-organisms. Landfills, where over 80% of all of our waste ends up, are specifically designed to keep out air, moisture and sunlight. If a "degradable" product will end up in a landfill, it probably won't degrade in any meaningful way. "Degradability" doesn't have much meaning if the product will be incinerated or recycled, either. However, a "degradable" product may be helpful in a composting system.

"Recyclable"



Almost all products — paper, plastic, glass and metal — can technically be recycled. But is the product "recyclable" in your community? Does your community ask you to separate out that type of product for curbside pick-up? Or, is there a drop-off recycling center that accepts that type of product? If a product labeled "recyclable" ends up in your trash can, it doesn't matter whether or not it's "recyclable" — it won't be recycled.

"Recycled"



Many products are being made from recycled materials. But labeling a product as "recycled" may not tell you enough. What is the percentage of recycled material — 5%, 50%, 100%? (Most cereal and detergent boxes that are gray on the inside are made of 100% recycled cardboard.) And does the "recycled" material really come from used paper or plastic, or is it just industrial scrap material that is "recycled" at almost every manufacturing plant?

"Ozone Friendly" or "No CFCs"



Chlorofluorocarbons (CFCs) were used in most aerosol sprays before 1978, and are still used in some styrofoam products. CFCs have been linked to destruction of the ozone (the protective layer around the earth that helps filter out the sun's harmful rays). Almost no aerosol sprays sold in the United States since 1978 contain CFCs. And, more recently, manufacturers of many styrofoam products have started removing CFCs. But, even though aerosol sprays and styrofoam products may no longer contain CFCs, they may contain other ingredients that may harm the environment. In other words, just because a product is labeled "ozone friendly," or is made without CFCs, does not necessarily mean it's good for the environment.

**Packaging
accounts for
one-third of all
garbage in our
landfills**

**Minnesotans
create 6.5
billion pounds
of garbage
each year**

**Minnesota
companies
release more
than 75 million
pounds of
toxic
chemicals into
the state's air,
water and land
each year**

77

YOU HAVE A RIGHT TO CANCEL THE CONTRACT

Under Minnesota's "cooling off" law, the consumer has a right to cancel a contract in home solicitation sales. The law protects the buyer of goods that cost more than \$25 by allowing three business days to cancel purchases. (Business days are Monday through Friday, excluding holidays.) For example, if you signed a contract to buy on a Tuesday, you would have until midnight Friday to cancel. This law applies only to purchases which are solicited and completed away from the seller's regular place of business.

HOW TO CANCEL THE CONTRACT

To cancel a contract within the three-day cooling-off period, the law requires that you give notice of any cancellation in writing. We recommend that you give notice of any cancellation by certified mail with a return receipt requested. We also recommend that you keep a copy of your cancellation notice. This way you have proof that the company received your notification, as well as proof of when it was sent and what was said.

SOME THINGS TO REMEMBER

The laws discussed here are designed to provide you, the consumer, with protection in certain specified purchases. They are not designed to cover all retail sales transactions (for example, insurance and real estate sales are not covered). Therefore, the best advice we can give is to enter all purchases with caution. A basic understanding that all purchases are final, unless otherwise stated by the store or seller, is your best means of avoiding purchases you'll regret.

Remember, the three-day "cooling off" law applies only to door-to-door sales, or sales that occur anywhere else away from the seller's regular place of business.

IF YOU HAVE A CONSUMER PROBLEM

The Minnesota Attorney General's Office cannot act as your personal attorney. If you have problems with a company, you can contact your attorney to discuss possible private remedies.

If you have reason to believe a seller has violated any part of the Home Solicitation Sales law, file a complaint with the Attorney General's Consumer Division.

In St. Paul: 117 University Avenue
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HOME SOLICITATION SALES



MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

"We have a special deal that's only being offered for a short time."

"I'm working my way through college."

"I don't get a commission on any sales."

Misleading come-ons like these are still used by some door-to-door sellers and telephone solicitors to persuade consumers to buy their goods or services. Sales gimmicks and deceptive practices put the consumer at a serious disadvantage. Fortunately, Minnesota law protects consumers against many fraudulent practices used by home solicitation sellers.

WHAT IS HOME SOLICITATION SELLING?

Minnesota law defines "home solicitation" selling as the offering of consumer goods or services for sale or lease away from the seller's place of business. This could be a door-to-door salesperson who comes to your home, your job or any place other than what the seller calls his or her "regular" place of business. This law also includes sales made in hotel or motel rooms, at county fairs or other "temporary" sales locations. In addition, solicitations made over the phone or person-to-person may also be covered by the law.

THINGS A SELLER MUST TELL YOU

If someone calls you on the telephone or comes to your door to try to sell you something, he or she must immediately inform you that he or she is trying to sell you a product. State law requires that any telephone solicitor or door-to-door seller, before saying anything else, must first tell you (1) his or her name, (2) the name of his or her company, and (3) the type of product or service he or she is selling.

Some cities require sellers to apply for a permit from local officials. If your community has such a law, ask to see the seller's permit; otherwise, demand a business identification card.

If you are unsure about a seller's credentials, check them by phoning the business, your local law enforcement agency, the Better Business Bureau, your Chamber of Commerce or the Attorney General's Consumer Division.

WATCH FOR DECEPTIVE PRACTICES

It is against the law for a seller to misrepresent:

- His or her identity as a salesperson (i.e., seller cannot claim to be a government inspector or other official when he or she is not).
- The true purpose of the sale (i.e., seller cannot suggest that he or she is engaged in a contest to win a cash award, scholarship, vacation or other prize when the seller's principal objective is to make a sale).
- The identity of the company; nor can the seller try to associate a product or service with some other well-known business, government agency or charitable cause.
- The amount that can be saved by purchasing the product or service (i.e., seller cannot quote only a portion of the total cost and suggest that it is the total cost).

THINK BEFORE YOU BUY

Some door-to-door sellers are expert in convincing you to buy products or services you really don't need. Before you say "yes", make sure you want what you're buying and consider comparison shopping locally for a similar purchase.

Don't be afraid to say "NO!" State law requires that a salesperson leave your home when asked to leave.

BEFORE BUYING OR SIGNING ON THE DOTTED LINE

Make the seller tell you:

- The total price, including tax, any credit or financing charges, and installation fees.
- Any special conditions attached to the sale, such as trade-in allowances and payment schedules.

BE SURE TO READ THE ENTIRE CONTRACT. Remember that any contract you sign can be legally binding. Make sure all promises made about the sale are included in the contract. Fill in all blank spaces in a contract. If there is anything you don't understand, **DON'T SIGN!** Check first with a trusted family member or friend, or an attorney.

IF YOU DECIDE TO BUY

Before you pay any money, the seller must give you a copy of the contract. The contract must include the date of the sale, the seller's name, the name and address of the company. The seller must also give you a notice of your right to cancel the contract and a copy of the cancellation form.

LANDLORDS AND TENANTS

Rights and Responsibilities



MINNESOTA ATTORNEY GENERALS OFFICE
HUBERT H. HUMPHREY III
ATTORNEY GENERAL

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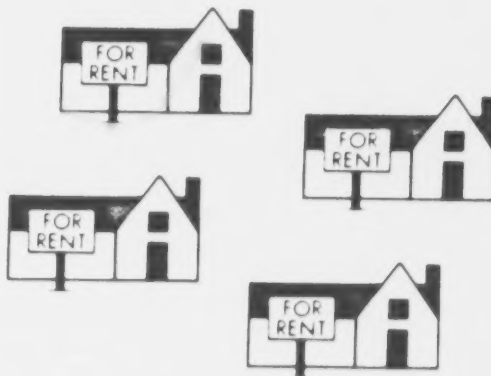
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INTRODUCTION

According to Minnesota law, any time the owner of a house, apartment, room or other living quarter agrees to give to someone else — for a fee — the temporary use of that place, the two have entered into a legally binding rental contract.

It doesn't matter if the deal is oral or in writing. It is an agreement to rent, and that means that some of its most important terms are automatically defined by law. Some of these terms are fixed — that is, neither landlord nor tenant can change them. Other terms can be whatever the landlord and tenant want them to be as long as all parties agree to them.

The following pages describe what the law requires of both landlords and tenants in a typical rental agreement. Particular attention is paid to what parts of the agreement are fixed and unchangeable and what parts can be shaped by the landlord or tenant.

ENTERING INTO THE AGREEMENT

INSPECTION OF THE UNIT BEFORE SIGNING

Prospective tenants should be allowed to see the rental unit before they put their money down. They should also be allowed to inspect the utilities — the appliances, the electrical system, the plumbing, heating and lights — as well as locks and windows. They may, if they wish, make a list of any problems they discover, and may request the landlord to sign the list before they sign any lease.

Landlords can refuse to cooperate (these are not "rights" legally enforceable in court). But cooperation is advised. It is in the best interest of both landlord and tenant to have a list, since it protects all parties if there is a disagreement over who is responsible for what repairs.

APPLICATION FEES

Some landlords require prospective tenants to pay an application fee. Many landlords do not. If required, the fee is used to cover the cost of checking the tenant's references.

Prospective tenants should ask if an application fee is required and, if so, the amount of the fee. This should be considered when deciding where to rent. Tenants should also ask if application fees are refundable and request a receipt for payment.

SECURITY DEPOSITS

Landlords have the right to require tenants to pay a security deposit (sometimes called a damage deposit). This is money paid by the tenant and held by the landlord. It pays for any damage

beyond ordinary wear and tear the tenant might do to the rental unit, or, any unpaid rent or any money the tenant owes to the landlord under some agreement.

The deposit cannot be used by the tenant to pay the rent.

Amount of the Deposit

Minnesota law does not limit the amount a landlord may require as a security deposit. A landlord can increase the amount of the security deposit at any time during a "periodic tenancy" (a rental agreement in which no final date is mentioned), but only if the tenant is given proper advance written notice. Generally, this is one rental period plus a day — see page 22 for an explanation of "proper notice."

If the deposit amount is stated in the rental agreement, and the rental agreement has a definite ending date, no changes in the deposit can be made except according to the provisions of the agreement (or unless both parties agree).

At the end of the tenancy, the landlord must return the deposit to the tenant with interest (5.5 percent noncompounded per year). The landlord may keep amounts necessary to repair any damage done to the unit by the tenant or to pay off other debts (including any unpaid rent) the tenant may owe the landlord if that has been part of some agreement. See page 25 for landlord-tenant rights in the return of security deposits.

Tenant Reports

A "Tenant Report" is defined in Minnesota law as a written, oral or other communication by a tenant screening service consisting of information about an individual's credit worthiness, credit standing, credit capacity, character, general reputation, personal character-

istics or lifestyle. It is collected and used, or expected to be used, to approve or deny a tenancy.

The agencies that compile Tenant Reports are called "Tenant Screening Services." This term applies to anyone who gathers, stores, and disseminates information about tenants, or assembles tenant reports for a fee.

Minnesota law requires landlords and tenant screening services to disclose the following information to an individual:

- (1) the nature and substance of all information about the individual in their files at the time of the request; and
- (2) the sources of the information.

If, in the past thirty days, information from that tenant screening service has been used to deny rental, or increase the rent or security deposit of a residential housing unit, the tenant screening service is, upon request, required to make this information known to the individual without charge. If the information from the tenant report was not used in this manner during the past thirty days, a reasonable fee may be charged for making the disclosure. However, the tenant screening service must tell the tenant what the fee is before furnishing the information. The fee may not exceed the amount the tenant screening service would charge each designated recipient of a tenant report.

If a person feels that his or her tenant report is incomplete or inaccurate, the person can require the tenant screening service to reinvestigate and record the current status of the information. If it is found to be inaccurate or can no longer be verified, the tenant screening service must delete the information from the individual's file and tenant report, and the individual can request that the

tenant screening service send notification of the change to persons who received tenant reports within the last six months.

If the owner uses information in the tenant report to deny rental, or increase the security deposit or rent of the residential housing unit, the owner is required to inform the prospective tenant of the name and the address of the tenant screening service that provided the tenant report.



THE LEASE

The terms of any rental agreement are stated in the lease, which can be either a signed, written document, or an oral understanding. There are essentially two kinds of leases:

- (1) the periodic tenancy lease (which is generally a month-to-month, automatic-renewal rental agreement), and
- (2) the definite term lease (a rental agreement specifying a definite rental period, generally six months or a year).

The laws are different for each, so we'll treat them one at a time.

Periodic Tenancy Leases

If there is nothing mentioned about the length of the tenancy in the rental

agreement (which may be written or oral), the lease is a periodic one. This means the rental period runs from one rent payment to the next. For example, if the rent is due once a month, on the first of every month, the rental period runs from that day through the day before the next rent payment. In this case, that would be on the last day of each month.

A periodic tenancy is automatically renewed each rental period until it is ended by either the landlord or the tenant. The person ending the tenancy must give the other a "proper notice." The length of notice and what form it must take will be stated in the lease. If the lease does not state a notice requirement, state law requires written notice be given one full rental period plus one day before the tenancy's end. For example, a tenant living under a month-to-month tenancy and wishing to leave at the end of June, would have to give written notice no later than May 31. See page 22 for a more complete explanation of "proper notice."

Definite Term Leases

If the lease states how long the tenancy will last, (usually six months or a year), the agreement is a definite term lease. These kinds of leases are usually written. If they are for more than a year, they must be in writing.

Definite term leases generally state what kind of notice is required to end the tenancy. If there is no notice requirement, the tenancy automatically ends on the day the lease says it does, unless the landlord and tenant agree (preferably in writing) to some other kind of arrangement.



UTILITIES

The lease should state who is responsible for paying what utilities. In some cases the landlord pays for heat, electricity, and water; in others, the tenant is responsible. If this issue is not addressed in the lease, tenant and landlord should work out their own understanding, have it put in writing and signed by both. Information about utility cutoffs is found on page 35.



MAINTENANCE

According to Minnesota law the landlord is responsible to make sure that the rental unit is: (1) fit to live in, (2) kept in reasonable repair, and (3) kept in compliance with state and local health and housing codes. It is illegal for a landlord to deny responsibility for such things.

The tenant must not abuse the rental property, and must pay for any damages he or she may cause beyond normal wear and tear.

Some repairs or maintenance duties, however, (like yardwork, etc.) can become the duty of the tenant if: (a) both parties agree in writing that the tenant is

supposed to do them; and (b) the tenant is paid for it, either by a reduction in rent or direct payment from the landlord. (See page 13 for procedures to be followed in repair disputes.)

ALTERATIONS

The tenant cannot alter the rental unit without the landlord's permission. Ordinarily, a tenant is not allowed to paper or paint walls, resurface floors, dismantle or install permanent fixtures, or alter woodwork or carpet or make other changes without the landlord's permission.



DURING THE TENANCY

THE RENT

Payments

Tenants must pay rent on the due date, whether they live under a periodic lease or a definite term lease. The due date and amount of rent are determined by the lease. If a tenant does not pay the rent the landlord may take legal action to evict the tenant.

If the tenant moves out before the lease runs out, he or she is still responsible

for paying the rent for the full term (if the lease is definite term) or for the full rental period (if it is a periodic lease), unless another tenant can be found to pick up the balance of the lease and the landlord agrees to release the tenant from the lease.

Late Fees

The rent must be paid on the date it is due. When a tenant fails to pay the rent by the due date, the landlord has the legal right to start eviction proceedings (see page 29 for an explanation). If a tenant misses the due date, landlords may require the tenant to pay a late fee. The lease must say how much the late fee will be and when it is due. The late fee must be a reasonable amount.

Raising the Rent

Under a periodic tenancy, a landlord cannot raise the rent unless he or she gives proper written notice. Under a month-to-month tenancy, the notice is one-rental-period-plus-one-day. See page 22 for an explanation of "proper notice."

During a definite term lease, rent cannot be raised unless the lease allows for an increase.

TENANT'S RIGHT TO PRIVACY

A landlord cannot enter the rental unit without the tenant's consent except in cases of emergencies. If a landlord wishes to make repairs and needs to get into a tenant's rental unit, he or she must first get the tenant's permission, otherwise the landlord is trespassing and can be sued in court or even arrested.

However, the landlord may write a provision into the lease giving him or her the right to enter a tenant's unit under reasonable conditions, such as to make repairs, or to check potential physical problems, or to show the unit to pro-

spective new renters or purchasers. But unless the landlord puts these rights into the lease, his or her right to enter is basically limited to just emergency situations. (It should be noted that, in practice, there is an implied right to enter if the landlord has to do so to make required or requested repairs. The tenant should not unreasonably refuse permission to a landlord to enter in such cases. It is a good idea for the tenant and landlord to agree ahead of time when repairs may be made.)



REPAIR PROBLEMS

Minnesota law requires that the landlord keep the unit in reasonable repair. This requirement cannot be waived. In other words, the lease agreement cannot say that the landlord has no duty to repair and maintain the rental unit. However, the landlord and the tenant can agree that the tenant will do certain specific repairs or maintenance, but only if: (1) this requirement is in writing; and (2) the tenant receives something adequate in return (for example, a rent reduction or payment from the landlord for the work).

If the tenant has trouble getting the landlord to make necessary repairs in the unit, there are six steps the tenant can take:

- (1) File a complaint with the local housing, health, energy or fire inspector — if there is one — and

ask that an inspection of the unit be made.

- (2) Place the full rent in escrow with the court, and ask the court to order the landlord to make repairs.
- (3) Withhold the rent.
- (4) Sue the landlord in district court under the Tenant's Remedies law.
- (5) Sue in conciliation court or district court for rent abatement (for the return of part or, in extreme cases, all of the rent).
- (6) Use the landlord's failure to make necessary repairs as a defense to either the landlord's Unlawful Detainer (eviction) action based on nonpayment of rent, or the landlord's separate action for rent.

We'll take these one at a time.

Calling In An Inspector

If there is a local housing, health, energy or fire inspector and he or she is called in by the tenant, and the inspector finds code violations in the unit, he or she will give the landlord a certain amount of time to correct them. If the landlord does not, the inspector has the authority to serve a summons on the landlord to appear in court. If the inspector does not, tenants can request another inspection which may provide the necessary incentive to the landlord.

Important note: A landlord cannot retaliate (strike back) by filing an eviction notice, or by increasing rent or decreasing services, because the tenant contacts an inspector. See page 33 for more information about retaliatory landlord conduct.

Rent Escrow

Tenants may now place rent in an escrow account when a landlord will

landlord will not correct housing violations. Under the rent escrow law, tenants can pay their rent to the court rather than to the landlord, and ask the court to order the landlord to make repairs. Following are the rules and procedures for rent escrow which must be strictly followed. A tenant may wish to speak with a private attorney or legal aid office for advice before proceeding.

As stated earlier, the housing inspector can order the landlord to make repairs if there are violations of the housing maintenance code. It is important to contact the inspector and get a copy of the order. If the repairs are not made within the time the inspector orders, a tenant can deposit rent with the court administrator along with a copy of the notice of code violation.

Even if there is no housing maintenance code in the tenant's area, Minnesota law provides that the landlord has an obligation to keep the dwelling fit to live in and in good repair. Under the new law, if an apartment or house has so many serious repair problems that it is unliveable, or if the landlord has violated the written or oral lease, the tenant must notify the landlord in writing. It is very important that the tenant keep a copy of that notice. If the problem is not corrected in fourteen days, then the tenant can deposit rent with the court administrator along with a copy of the notice to the landlord.

To file a rent escrow action, a tenant needs to pay to the court administrator all rent that is due. There is a small filing fee, but the administrator can waive the fee if the tenant cannot pay it. The tenant must give the administrator a copy of the inspector's order or the tenant's notice to the landlord. The tenant should estimate how much it will cost him or her to make the repairs. The tenant must also give the administrator the landlord's name

and address. The administrator will help a tenant complete a rent escrow petition.

Once the rent has been deposited with the court, the court administrator will schedule a hearing, which will be in ten to fourteen days. In most cases, the court will notify the landlord of the hearing by mail. However, if fixing the housing violation will cost more than the Conciliation Court limit (\$4,000 after July 1, 1990), then a tenant needs to have someone (other than the tenant) give the notice of hearing to the landlord. A sheriff can deliver the notice.

The landlord can take action to evict the tenant if the tenant does not deposit the full amount of rent in escrow.

After the hearing, if the tenant proves that a violation exists, the judge may do any of the following:

- order the landlord to fix the problem;
- allow the tenant to make the repairs and deduct the cost from the rent;
- appoint an administrator to collect rent and order repairs;
- return all, none, or part of the rent to the tenant;
- order that future rent be paid to the court or that the rent be abated (eliminated or reduced), until repairs are made, or that part of the rent be abated or refunded; or
- fine the landlord.

If the tenant does not prove that there is a housing violation, or if the tenant does not deposit the full amount of rent with the court, then the money and deposit will be given to the landlord.

NOTE: A tenant needs to follow the other terms of his or her lease, even when he or she pays rent into court.

Withholding Rent

Tenants may withhold rent if there is a serious repair problem or code violation. Before withholding rent, the tenant should first:

- 1) Notify the landlord, preferably in writing, of the needed repairs (both parties should keep a copy) and give him or her a chance to make them.
- 2) If the landlord does not make the repairs, notify the housing, health, energy or fire inspector (if there is one); and
- 3) Get a written copy of the inspector's report.
- 4) If the repairs are still not made, notify the landlord in writing that all or a part of the rent will be withheld until the repairs are made.

If a tenant decides to go through with rent withholding, he or she should be prepared to defend that action in court. It is very likely that the landlord will either sue for return of the rent or will begin eviction proceedings. But a landlord cannot retaliate (strike back) by filing an eviction notice or action because the tenant withheld rent or otherwise exercised his or her legal rights — see page 33 for more information about retaliatory landlord conduct. The tenant must not spend the withheld rent money. The tenant must bring the money to court when he or she is summoned. Tenants who do not bring their money to court may not have their defenses heard and can be evicted.

If the court decides the tenant's argument is valid, it can do any number of things. It may, for instance, order the rent be deposited with the court until the repairs are made, or it may reduce the rent in an amount equal to the extent of the disrepair.

On the other hand, if the tenant loses, he or she will have to pay all or part of the rent withheld plus court costs. In some cases, the tenant may have to pay the landlord's attorneys fees to avoid being evicted, but only if the lease allows them.

Using the Tenant's Remedies Act

Under the Tenant's Remedies Act, a tenant can sue for: (1) a health or housing code violation, or (2) a violation of the landlord's obligation to keep the rental unit in reasonable repair, or (3) a violation of an oral or written rental agreement or lease.

Before going to court under this act, a tenant should talk to the landlord about the needed repairs and try to get him or her to fix them. If the landlord does not, after a reasonable time, the tenant should:

- 1) notify the local housing, health, energy or fire inspector, if there is one available;
- 2) get a written copy of the inspector's report. This will describe the problem and allow the landlord a certain number of days to repair it. If no inspector has been used, the tenant must inform the landlord in writing of the repair problem at least 14 days before suit is filed.
- 3) wait for the required time to pass, and then, if the repair work has still not begun or progressed, bring suit in district court. Once in court, a tenant must produce evidence that the problem exists (and should submit a copy of the inspector's report if there is one). The tenant must also explain how the problem can be resolved.

Rent Abatement

Before suing for rent abatement (reduction), the tenant should try to get

the landlord to make the repairs. Only after it appears that the repairs won't be made and further requests seem fruitless, should the tenant try to bring a legal action for rent abatement.

The tenant should then be prepared to prove: (1) the existence of a serious condition(s) affecting safety, health or the fitness of the dwelling as a place to live; (2) that the landlord was notified or knew or should have known of the defective condition(s); and (3) that the landlord failed to repair it, or repair it adequately, after having a reasonable time to do so.

Although it is unclear under present Minnesota law how the amount of rent reduction (damages or money) should be determined, the tenant may be able to recover either: (1) the difference in value between the condition the rental unit would have been in had the landlord met his or her legal duty to make repairs and the actual condition of the dwelling without the repairs; or (2) the extent to which the tenant's use and enjoyment of the dwelling has been decreased because of the defective conditions.

The tenant may sue for rent reduction in conciliation court if the amount involved is not greater than the maximum amount that conciliation courts have jurisdiction to decide. If the tenant's claim exceeds the maximum conciliation court amount, the suit for rent reduction would have to be brought in district court or be reduced to the jurisdictional limit of conciliation court. (As of July 1990, claims of up to \$4,000 can be decided in conciliation court. The tenant may wish to call the conciliation court serving his or her county to check the maximum jurisdictional amount, before filing a claim.)



Defense

The tenant living in bad rental housing can also use the landlord's failure to make necessary repairs as a defense to: (1) the landlord's Unlawful Detainer (eviction) action based on nonpayment of rent; or (2) the landlord's suit for unpaid rent. Again, the tenant should be prepared to show that the landlord was notified or knew or should have known about the defective conditions, but failed to repair them despite having a reasonable chance to do so.

Neighborhood Organizations

A neighborhood organization is an incorporated group in a specific geographic area that is formed to promote community safety, crime prevention, and housing quality in a non-discriminatory manner.

A neighborhood organization can act on behalf of a tenant with his or her written permission. Or they can act on behalf of all tenants in a building with a majority of the tenants' permission.

In most situations, a neighborhood organization acts much like a tenant.

They can:

- 1) Call for an inspection of a building about which they have zoning concerns.
- 2) Take to court the owner of a building in which a housing violation may exist.
- 3) Act against an unoccupied building in their geographic area.

If a violation is found to exist, a judge can rule in favor of the tenant(s) and/or the neighborhood organization and, among other options, can order the owner to properly maintain the building with regard to all housing codes, under the court's jurisdiction, for up to one year.

Additionally, the court can rule against the owner of the building for reasonable attorney fees, not to exceed \$500.

Administrators: The court may appoint a neighborhood organization as the designated administrator for a building as a result of legal action. When this happens, the administrator may collect rent, contract for materials and services to remedy violations, and perform other duties as outlined by the court.

Condemned Dwellings

A landlord is prohibited from renting property that is unsuitable for occupancy. The landlord may not accept rent or a security deposit for residential rental property that has been condemned or declared unfit for human habitation by a state or local authority.

The landlord is liable to the tenant for actual damages as well as three times the amount of all money collected from the tenant after the date the property is condemned or declared unfit by state or local officials. This includes court costs and attorney's fees. Actual damages can include items such as moving expenses, temporary lodging and other moving costs.

ENDING THE TENANCY



PROPER NOTICE

When the landlord or tenant ends the tenancy, he or she must abide by both the terms of the lease and by state law. The notice requirements for periodic and term tenancies, however, are different.

For Periodic Tenancies

If there is no provision in the lease stating how much advance notice must be given to end the tenancy, the law says that written notice must be received by the other party at least one full rental period before the tenancy's last day. This means the day before the last rent payment is due.

For example, if a tenant who pays rent on the first day of each month (a month-to-month periodic tenancy) wishes to leave at the end of June, he or she must inform the landlord of that fact in writing on or before May 31. This is because May 31 is one day before the June rental period begins. No matter when during June the tenant actually leaves, he or she is responsible for the entire month's rent. If the tenant misses the proper notice deadline — even by a day — he or she is liable for paying an extra month's rent (July in this case).

The proper notice provision holds true for the landlord as well. If the landlord wants to end the tenancy, he or she must give the tenant advance written notice

at least one day before that last rental period begins. If the landlord misses the deadline, the tenancy is automatically extended for another month.

For Definite Term Tenancies

Procedures for ending this kind of tenancy are generally written into the lease. Tenants under a definite term lease have to pay for the entire term no matter when they leave, unless the landlord agrees to accept new tenants who would take over the remaining payments. But some term leases have provisions allowing the tenant to "break" the lease. Often in such cases, the tenant is required to pay a "break-lease" fee — a sum of money and/or the tenant's security deposit. Such fees must be reasonable in amount and reflect the actual loss the landlord can be expected to suffer if the tenant moves out early.

Some definite term leases spell out what kind of notice is needed to end the tenancy when the lease ends. Typically this is a written notice presented 30 to 60 days before the lease ends. Often such a requirement is part of an automatic renewal provision. Automatic renewal means that if the tenant does not give notice, he or she can be held to an additional period of time — for example, one or two months.

But if the automatic renewal is for an extra two months or more, the landlord must give the tenant written notice of this fact calling the tenant's attention to the automatic renewal provision. If the landlord does not, the automatic renewal provision cannot be enforced. The renewal notice can be given either personally or by registered or certified mail. It must be received by the tenant 15 to 30 days before the tenant has to give the landlord his or her written notice to vacate.

"Holdover Tenants"

If there is no provision in the lease about what happens when the lease ends (for example, there is nothing said about converting the tenancy to a month-to-month tenancy), the lease simply expires and the tenant becomes a "holdover tenant." At this point, unless the landlord agrees to continue the tenancy or a new lease is signed, the landlord can start eviction proceedings at any time and without notice. (See page 29 for the laws covering eviction.) However, once the landlord accepts rent payment from the tenant after the tenancy term runs out, then, by law, the tenancy is automatically renewed for another rental period and it becomes a periodic (usually month-to-month) tenancy.

"Section 8"

A 1989 change in state law requires owners of federally subsidized housing to give their tenants a one year written notice if:

- (1) A "Section 8" contract for the housing will expire. (See explanation of "Section 8" below.)
- (2) The owner decides to end or not renew participation in the "Section 8" program.
- (3) The owner will prepay a mortgage or otherwise terminate a housing subsidy program.

If the lease agreement between the landlord and tenant begins less than one year before any of the above conditions will happen, the owner must give the required written notice to the tenant at the beginning of the tenancy.

"Section 8" is a federal rent assistance program which provides rent subsidy payments for low-income families renting privately-owned housing. Under "Section 8," a monthly rent subsidy payment is made to the owner and the tenant pays no more than 30% of the tenant's income toward

rent. For more information on "Section 8" and other housing subsidy programs, contact the federal Department of Housing and Urban Development (612) 370-3000, or the local public housing authority listed in the telephone directory.

THREE DAY NOTICE DURING WINTER



Tenants who are going to be permanently leaving their units between November 15 and April 15 must tell their landlord they are vacating at least three days before they move out. This is so the landlord can take steps to make sure the pipes don't freeze. Failure to notify is a misdemeanor. The only exceptions to this are cases where the unit's pipes are not subject to freezing or where the tenant is leaving on the day the tenancy is supposed to end anyway.

REFUND OF THE SECURITY DEPOSIT



At the end of the tenancy, a landlord must return a tenant's security deposit plus 5.5 percent simple interest or give the tenant a written explanation as to why the deposit (or any part of the

deposit) will not be returned. The landlord must do this within 21 days after the day the tenancy ends and the tenant has given the landlord a forwarding address. If the landlord does not, he or she must pay as a penalty a sum equal to the amount of the deposit withheld, plus interest. In addition, the landlord must return the portion of the deposit wrongfully withheld, plus interest. Minnesota law allows a landlord to withhold from a security deposit only amounts necessary for unpaid rent, damages to the rental unit beyond ordinary wear and tear, or other money the tenant owes to the landlord under an agreement.

Interest

Interest begins on the first day of the month following the full payment of the deposit. Interest runs to the last day of the month in which the landlord returns the deposit. In those cases where tenants have sued to recover a withheld deposit, interest would run to the day the judgment is entered in favor of the tenant.

Taking the Matter to Court

If a tenant does not get the deposit back or is unsatisfied with the landlord's explanation, the tenant can take the matter to court, usually to conciliation



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court. There, it is up to the landlord to justify his or her actions. If the judge decides the landlord knew he or she was acting wrongly to withhold the money (that's called "bad faith"), the tenant can be awarded up to \$200 in punitive damages. If a landlord has failed to provide a written explanation, according to law, he or she must return the withheld deposit within two weeks after the tenant has filed a complaint in court or the court will presume the landlord is acting in "bad faith."

One other thing: the law forbids tenants to use their security deposits to pay the rent. Those tenants who do may be taken to court and may have to pay the landlord the amount of the rent withheld plus a penalty. However, before the landlord can take any tenant to court, he or she must give that tenant a written demand for the rent and a notice that it is illegal to withhold it and apply the security deposit to the last payment period of the rental agreement.

OTHER IMPORTANT LAWS



HOUSING COURTS

A 1989 Minnesota law established housing courts in Ramsey and Hennepin Counties on a three year pilot project basis. These housing courts hear and decide criminal and civil cases related to residential rental housing, including,

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for example, claims for rent abatement, rent escrow proceedings, eviction actions, claims for unpaid rent, and actions for violations of state, county or city health, safety, housing, building or fire prevention laws. The purpose of the housing courts is to bring housing claims before a single, trained referee in order to encourage consistent decisions and prompt compliance with Minnesota's housing laws by landlords and tenants.

Ramsey and Hennepin County District Courts appoint a referee to hold hearings and make recommended decisions. After the hearing in each case, the referee's recommended findings and orders are sent to the district court judge in writing. These findings and orders become the findings and orders of the court when confirmed by the district judge. The landlord or tenant can ask for a review by the district court judge of any recommended order or finding of the referee by filing and serving (providing to the other party) a notice within ten days of the recommended order or finding. This notice must explain the reasons for asking for review and state the specific parts of the recommended findings or order that are disputed. After receiving this notice, a time for the review hearing will be set and, after the hearing, the district court judge will decide whether to accept, reject or change the referee's recommended decision.

This three year experimental housing court project will end on July 1, 1992, unless the legislature decides to continue it. Hennepin and Ramsey County landlords and tenants are encouraged to use the housing courts to resolve housing related disputes that they cannot work out themselves.

EVICTIION

Unlawful Detainer Actions

With proper written notice, a landlord can end a month-to-month tenancy at any time for any reason or for no reason at all, unless the landlord is retaliating against the tenant or illegally discriminating (see pages 33 and 39 for what these terms mean). Definite term leases can only be ended according to the notice specified in the lease, or if there has been a significant breach of the lease.

But in no instance can landlords forcibly remove their tenants. In order to evict, a landlord must first bring an "Unlawful Detainer" action against the tenant. This is a legal proceeding conducted before a district court. To bring such an action, however, the landlord must show cause (have a legitimate reason). According to state law, legitimate reasons can be nonpayment of rent or other breach of the lease or cases where the renter has refused to leave after notice to vacate has been properly served and the tenancy's last day has passed.

There are a number of steps both landlords and tenants must take in an Unlawful Detainer action:

- (1) The landlord must file a complaint against the tenant in district court. The landlord must then have someone serve the tenant with a summons (at least seven days before the court date) ordering him or her to appear in that court.
- (2) A court hearing must take place within seven to 14 days after the court issues the summons. At the hearing, both tenant and landlord will be asked to give their respective sides of the story.
- (3) The judge will then deliver his or her decision. If the judge decides

that the tenant has no legal reason for refusing to leave or pay the rent, he or she will order the tenant to vacate and, if necessary, will order the sheriff to force the tenant out. If the tenant can show that immediate eviction will cause substantial hardship, however, the court shall allow the tenant a reasonable period of time — up to one week — in which to move.

It should be understood that only a sheriff or sheriff's deputy can physically evict a tenant. The landlord cannot do it on his or her own.

A "Writ of Restitution" — which is issued at the time the decision is handed down — must be posted on the premises at least 24 hours before the actual eviction. The sheriff can show up to perform the eviction anytime after the 24 hours has expired.

Storage of Personal Property

When the sheriff performs the eviction, the tenant's remaining property must either be stored on the premises or placed in storage in a bonded warehouse or other suitable storage place.

In cases where the tenant's property will be stored on the premises, the landlord must now prepare an inventory that is signed and dated in the presence of a peace officer. A copy of the inventory must be mailed to the tenant at his or her last known address, or to an address provided by the tenant. The inventory must include the following:

- 1) a listing of the items of personal property, and a description of the condition of that property;
- 2) the date, the signature of the landlord, and the name and telephone number of the person authorized to release the property; and
- 3) the name and badge number of the peace officer.

The officer must keep a copy of the

inventory. The landlord is responsible for the proper removal, storage and care of the defendant's personal property and is liable for damages to, or loss of, the tenant's personal property if the landlord fails to exercise care in regard to that property.

The landlord should notify the tenant of the date and approximate time the officer is scheduled to remove the tenant and his or her personal property from the premises. The notice should be sent by first class mail. The landlord should also make a good faith effort to notify the tenant by telephone, explicitly informing him or her that the tenant and his or her property will be removed from the premises if the tenant has not vacated by the specified date and time of the notice.

According to Minnesota law, this provision may not be waived or modified by any oral or written lease or other agreement.

To Get the Property Back

- (1) In cases where the tenant's personal property is stored on the premises, the tenant need only contact the landlord in writing to demand return of the property.
- (2) In cases where the tenant's property is to be stored away from the premises (at a bonded warehouse or other suitable storage place) the landlord has a lien (legal claim) on the tenant's personal property for the reasonable costs of removing, transporting and storing the property. The landlord can enforce his or her lien by keeping the property until the landlord's expenses are paid.

Regardless of whether the tenant's property is stored on or away from the premises, the tenant, to get the property back, does not have to pay any unpaid rent, security deposit or late charges. The landlord can sue the tenant in court for these items. Tenants who lose Unlawful

Detainer actions, however, do have to pay court costs.

If the Unlawful Detainer has been brought because the tenant has not paid the rent, and the landlord wins, the tenant may pay the back rent plus costs and still remain in possession of the unit, provided payment is made before possession of the rental unit is delivered to the landlord.

If the Unlawful Detainer has been brought because the tenant has withheld the rent because of disrepair, and the tenant wins, the judge may order that the rent be abated (reduced), in part or completely.

Eviction for Manufacture and Sale of Drugs

Every oral or written residential lease now includes a promise by the tenant not to make or sell drugs on the premises. A tenant violating this loses the right to possession and the landlord may file to evict without giving one rental period's notice.

If drugs or contraband totaling more than \$1,000 are seized from the property, the landlord, on being notified, has fifteen days to file to evict the tenant, or to assign the county attorney that right.

A tenant has a defense against eviction if he or she has no knowledge or reason to know about the drugs or contraband, or could not prevent them from being brought onto the premises.

Landlords receiving notice of a second such occurrence involving the same tenant are subject to forfeiture of the property unless they have filed to evict the tenant or have assigned the county attorney that right.

A landlord has a defense if he or she was not notified of the seizure or had made every reasonable attempt to evict

a tenant or to assign the county attorney that right.

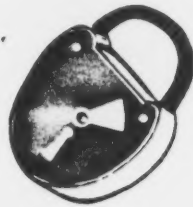
Seizure of Property

Unlawful sale or possession of drugs or alcohol within a building is now a public nuisance. A city attorney, county attorney, or the attorney general may file an abatement action against a landlord, and if the nuisance is not cured, ask the court to seize the building.

RETALIATION

A landlord cannot evict a tenant or end a tenancy in retaliation for the tenant's "good faith" attempt to enforce his or her rights (i.e., the tenant sincerely believes that he or she is acting within the law). Neither can a landlord respond to such an attempt by raising the tenant's rent or cutting services or otherwise adversely changing the rental terms. If a tenant has, for instance, reported the landlord to a governmental agency for violating health, safety, housing or building codes, the landlord cannot try to "get even" by evicting the tenant.

If a landlord starts an eviction action by giving the tenant a notice to vacate within 90 days after the tenant has tried to enforce his or her rights, the law presumes that the landlord is retaliating. It will then be up to the landlord to prove the eviction is not retaliatory. But if the landlord's notice to vacate comes more than 90 days after a tenant exercises his or her rights, it will be up to the tenant to prove the eviction was retaliatory. These provisions apply even to oral rental agreements.



UNLAWFUL EXCLUSIONS AND PROPERTY CONFISCATION

It is a misdemeanor for a landlord to physically lock a tenant out of his or her rental unit or otherwise exclude a tenant (for example, by removing locks, doors or windows from the rental unit) without a court order. A tenant who has been unlawfully locked out may petition the district court to get back in. The petition must: (1) give a description of the rental unit, (2) give the owner's name, (3) state the facts which make the lockout or exclusion unlawful, and (4) request that the tenant be given possession of the unit. If the court agrees with the tenant, it will order a law enforcement officer to help the tenant get back in. If the court decides that the landlord knew (or should have known) that the lockout or other exclusion was unlawful, the landlord may be ordered by the court to pay the tenant up to triple damages or \$500, whichever is greater, plus reasonable attorney fees.

Also, a landlord cannot cart away or keep a tenant's belongings for nonpayment of rent or other charges. If a tenant finds that his or her landlord has taken the tenant's things, he or she can get them back by demanding, in writing, that they be returned. The landlord has 24 hours to return them (48 hours if they are somewhere other than the apartment). If they aren't returned, the landlord may

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be sued in conciliation court where he or she may be ordered, not only to give the property back, but to pay the tenant punitive damages of up to \$300 in addition to actual damages (cost of storage, hauling, physical damage, replacement, etc.) and reasonable attorney fees.



UTILITY CUTOFFS

A landlord may not unlawfully shut off a tenant's utilities. And to do so with an intent to make the tenant move out is a misdemeanor.

If a landlord has unlawfully cut off utility services, a tenant can sue him or her in court to recover triple damages or \$500, whichever is greater, and reasonable attorney fees. However, a tenant may recover only actual damages if: (1) in the beginning, he or she had failed to notify the landlord of the interruption of utilities; or (2) the landlord, once notified, had had the services reinstated within a reasonable time or had made a good faith effort to do so; or (3) the cutoff was necessary to repair or correct equipment or to protect the health and safety of the tenants.

Tenants, finding themselves cut off, should notify the landlord immediately. If service is not restored within a reasonable time, they should notify a housing inspector (if there is one available). A tenant may bring an emergency

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action in court if the landlord unlawfully cuts off utilities.

Loss of Essential Services

When a landlord has contracted to pay for utilities but fails to pay and the services are cut off, the tenant or a group of tenants may pay to have the service reconnected and may deduct that payment from their rent. But the tenant(s) must follow certain steps.

The tenant must notify the landlord either orally or in writing of the tenant's intention to pay the utility if, after 48 hours, the landlord fails to pay. Under certain circumstances, the notice period can be shorter. For example, if the furnace stops in the middle of winter because of lack of fuel that the landlord was supposed to provide, less than a 48 hour notice should be considered reasonable. The statute states that if the landlord is notified orally, written notice must be mailed or delivered to the landlord within 24 hours after the oral notice.

If the utility or service is natural gas, electricity or water, the landlord has not paid and the service remains disconnected, the tenant may pay the amount due for the most recent billing period. If the disconnected service is heating oil or propane and the service has not been reconnected, the tenant may order and pay for a one-month supply.

If this problem occurs, the tenant should obtain receipts, give them to the landlord and keep copies for his or her records. After providing receipts to the landlord, the tenant may deduct from his or her next rental payment the amount paid to restore these utility services.

By law, any payments made to a utility provider in this manner must be considered the same as rent paid to the landlord.

Utilities include natural gas, water,

electricity, home heating oil and propane. This law applies to all utility providers, including municipalities and cooperatives that in most cases are not regulated by the Public Utilities Commission.

The utility cannot collect payment from the tenant of the landlord's old bills. Also, the utility may not refuse service to a tenant due to the landlord's failure to pay old bills.



COLD WEATHER RULE

Tenants and landlords alike should know that no regulated utility company in Minnesota (not all are regulated) can shut off the service of any owner- or tenant-occupied residence between October 15 through April 15 if:

- (1) the disconnection would affect the primary heat source; and
- (2) the customer is unable to pay the bill; and
- (3) the customer has no overdue bills from the previous October 15 (or, if there *was* an overdue bill, the customer had arranged with the utility to repay it); and
- (4) the customer is willing to start paying off his or her delinquency in amounts agreed to by both the customer and the utility.

New rules adopted by the Minnesota Public Utilities Commission provide additional protection from shut-off by regulated utilities during winter months.

The rules allow customers to avoid disconnection by paying only 10% of their monthly income or their current utility bill each month, whichever is less. For example, if a customer's monthly income is \$400 and their monthly bill is \$80, the customer would only have to pay \$40 (10% of \$400) per month to avoid disconnection. The rule also allows a customer reconnection by paying 10% of 1/12 of annual income, each month. Utilities are prohibited from assessing a deposit or delinquency charge to qualifying customers.

The cold weather rule prohibits disconnection if the customer demonstrates an "inability to pay." Eligibility is determined by income, willingness to accept a payment schedule and the customer's timeliness of paying bills during the summer months.

The rules expand income eligibility to 185% of the federal poverty level, which currently equals about \$12,000 per year for one person, and continue to apply only between October 15 and April 15 of each year. Contact your utility if you want to take advantage of this program.

For questions on eligibility or terms of these cold weather protections, or to apply for protection under the cold weather rule contact your local utility or the Minnesota Public Utilities Commission, Consumer Complaint Division, Room 780 American Center Building, 160 East Kellogg Boulevard, St. Paul, MN 55101; (612) 296-7126.

TENANT'S RIGHT TO A TAX CREDIT

Minnesota law gives renters (depending on income and amount of rent paid) a partial refund for the property taxes

they pay directly or indirectly through their rent. To be eligible, a tenant must be a renter in a property tax-paying unit. But if the tenant is renting from the government, or a private college, or some other person or other entity not required to pay taxes, he or she is not eligible.

To claim the credit, the tenant must file with the Minnesota Department of Revenue a property tax refund return form (M-1PR) and include with it a "certificate of rent paid" which the landlord must supply to the renter by January 31 of each year. If there is a disagreement between the tenant and the landlord over how much the tenant can claim, a "Rent Paid" affidavit can be requested from the Minnesota Department of Revenue. Credit must be filed with the Department of Revenue by August 31. Questions may be directed to the Department at (612) 296-3781.

DISCRIMINATION

According to Minnesota law, no landlord can legally refuse to sell, rent or lease housing, or have different rental terms, on the basis of race, color, creed, religion, national origin, sex, marital status, disability or reliance on public assistance. (But there is an exception to this: an owner or occupier living in a one-family unit may refuse to rent part of the premises on the basis of sex, marital status, disability or reliance on public assistance.)

Likewise, a landlord, for discriminatory reasons, cannot decrease services which have been promised in the lease.

And it is also illegal for landlords to discriminate against people with children. But there are some important exceptions to this prohibition. Land-

lords can refuse to rent to persons with children when:

- (1) the vacancy is an owner-occupied house, duplex, triplex or fourplex;
- (2) The purpose of the building is to provide housing for elderly persons. To qualify for this exemption the housing must:
 - be provided under a state or federal program that is specifically designed and operated to assist elderly persons;
 - be intended for and solely occupied by persons 62 years of age or older; or
 - be intended and operated for occupancy by at least one person 55 years of age or older per unit. When this latter circumstance is met, there must also be significant facilities or services designed to meet the physical or social needs of the elderly (or provide important housing opportunities for the elderly), at least 80% of the units must be occupied by one person 55 years of age or older per unit, and there must be the publication of, and adherence to, policies and procedures that demonstrate an intent to provide such housing.

HANDICAPPED-ACCESSIBLE UNIT

Minnesota law now requires that a disabled person, or a family with a disabled family member, must be given priority to handicapped-equipped rental housing. This recent law provides that if a nondisabled person, or a family that does not include a disabled person, is living in a handicapped-accessible unit, the owner must offer to rent that person or family a non-handicapped-equipped

apartment if: (1) a disabled person or a family with a disabled family member who will reside in the apartment has signed a rental agreement for the handicapped-accessible apartment, and (2) a similar non-handicapped-equipped apartment in the same rental housing complex is available at the same rent.

Complaints about discrimination should be filed with the Minnesota Department of Human Rights, Bremer Building, St. Paul, MN 55101; (612) 296-5663, or toll free, 1-800-652-9747. In Minneapolis, St. Paul, and some other localities, such complaints may also be filed with municipal civil or human rights departments.

LANDLORD DISCLOSURE

Landlords must provide their tenants, in writing, with the name and address of: (1) the person authorized to manage the premises, and (2) the owner of the premises or his or her authorized agent (the person or entity which will be receiving any notices or demands). The address should be something more detailed than a post office box number.

The disclosure can be inserted in the rental agreement or in the lease or can be put in some other written form. But it must also be printed or typed and posted by the landlord in some clearly visible place on the premises.

The disclosure is important because the tenant must have a way of contacting the landlord or agent when repairs are needed or other problems arise. Also, a landlord cannot take any legal action against a tenant to recover rent or to evict unless the disclosure has been given.

Tenants who move out of, or sublet their unit without giving the owner 30 days written notice, lose the protection of the disclosure law.

SUBLEASING

Subleasing means having another person "take over" a tenant's unit by moving into the unit, paying rent and doing all the things the original tenant was supposed to do under the rental agreement. If nothing in the lease says the tenant cannot sublet, then the tenant can sublet. This means that the new tenant takes over the old tenant's duties, including paying the rent (it is best to get these in writing and signed by both). Still, if the new tenant does not pay the rent, or if he or she damages the unit or leaves before the lease is up, the original tenant will be responsible to the landlord for any unpaid rent or damages. The original tenant can sue the new tenant for these costs.

Most leases say the tenant can sublet only if the landlord agrees to it. If the tenant and landlord agree to sublet, it is best to get this agreement in writing.

ABANDONED PROPERTY

Any personal property a tenant leaves behind after moving out must first be stored by the landlord. The landlord can collect from the tenant all moving and storage costs. Sixty days after the landlord has either received a notice of abandonment, or it has become reasonably apparent that the unit has been abandoned, the landlord may sell or get rid of the property in whatever way he or she wishes. The landlord must make a reasonable effort, however, to contact the tenant at least two weeks before the sale of the items, to let the tenant know they are being sold or disposed of. The landlord must do this either by personally giving the tenant a written notice of the sale or by sending the notice by certified mail

(return receipt requested) to the tenant's last known address or likely living quarters if that's known by the landlord. The landlord must also post a notice of the sale in a clearly visible place on the premises for at least two weeks before the sale.

The landlord may use a reasonable amount of the money from the sale to pay for the costs of removing and storing the property, back rent, tenant-caused damages and other debts the tenant owes the landlord under an agreement. Any amount above these belongs to the tenant, if the tenant has written and asked for it.

The landlord may not withhold the tenant's property until the tenant pays any rent that may be owing. If the tenant has asked for his or her property back before the 60-day waiting period and 14-day "notice-of-sale" have expired, the landlord must give the property back. If the landlord or his or her agent does not allow the tenant to retake the property after the tenant has written for it, the tenant may sue for a penalty not to exceed \$300 plus any damages the tenant suffered plus reasonable attorney fees. The landlord must return the tenant's property within 24 hours after the tenant's written demand, or 48 hours (not counting the weekends and holidays) if the landlord has moved the tenant's property somewhere other than the apartment building or house.



WHERE TO GO FOR HELP

For further information contact:

Minnesota Attorney General's Office

St. Paul: 117 University Avenue
St. Paul, MN 55155
(612) 296-3353

Duluth: 708 Government Service
Center Building
320 West Second Street
Duluth, MN 55802
(218) 723-4891

— OR —

Minneapolis Housing Services Office
Room 11, City Hall
Minneapolis, MN 55415
(612) 673-3003

St. Paul Housing Information Office
21 West 4th Street
St. Paul, MN 55102
(612) 298-5591

— OR —

Dispute Resolution Center
265 Oneida Street
St. Paul, MN 55102
(612) 292-7791

North Hennepin Mediation Project
3300 County Road 10 Suite 212
Brooklyn Center, MN 55429
(612) 561-0033
(Serves North Hennepin County)

Mediation Services For Anoka County
1323 Coon Rapids Boulevard
Coon Rapids, MN 55433
(612) 755-5300
(Serves Anoka County)

Minneapolis Mediation Program
2429 Nicollet Avenue South
Minneapolis, MN 55404
(612) 871-0639
(Serves Minneapolis)

West Suburban Mediation Center
32 Tenth Avenue South #214
Hopkins, MN 55343
(612) 933-0005
(Serves western and southern
metro suburbs)

— OR —

Minnesota Multi-Housing Assoc.
4250 Park Glen Rd.
Minneapolis, MN 55416
Renters' Hotline:
(612) 927-8600

St. Cloud Area Multi-Housing
Assoc.
P.O. Box 1201
St. Cloud, MN 56302

Rochester Apartment Assoc.
P.O. Box 576
Rochester, MN 55903
G. Harison Nelson — (507) 288-8240

— OR —

Minnesota Public Interest Research
Group (MPIRG)
2512 Delaware Street SE
Minneapolis, MN 55414
Tenant/Landlord Hotline:
(612) 221-0501
1-800-242-7474

— OR —

Minnesota Tenants Union
1513 Franklin Avenue East
Minneapolis, MN 55404
(612) 871-7485

St. Paul Tenants Union
500 Laurel
St. Paul, MN 55102
(612) 221-0501

Duluth Tenants Union
206 West Fourth Street
Room 14
Duluth, MN 55806
(218) 722-6525
(Serves Lake, Cook, Carleton and
St. Louis counties)

— OR —

**Southern Minnesota Regional Legal
Services**

Administrative Office:
700 Minnesota Building
46 East Fourth Street
St. Paul, MN 55101
612/228-9823

Local Offices:

St. Paul:
300 Minnesota Building
St. Paul, MN 55101
612/222-4731
(Serves Dakota, Goodhue, Ramsey and
Washington counties)

Native American outreach:
St. Paul American Indian Center Office
341 University Avenue
St. Paul, MN 55103
612/222-0690

Hispanic outreach:
179 E. Robie Street
St. Paul, MN 55107
612/291-0110

Albert Lea:
Lea Center Building, Suite 243
139 E. William
Albert Lea, MN 56007
507/377-2831
(Serves Fairbault, Freeborn, Mower and
Steele counties)

Mankato:
450 Nichols Office Center
Mankato, MN 56001
507/387-5588
(Serves Blue Earth, Brown, Martin,
McLeod, Nicollet, LeSueur, Sibley,
Waseca and Watonwan counties)

Prior Lake:
16174 Main Avenue
Prior Lake, MN 55372
(612) 440-1040
(Serves Carver, Scott and Rice counties)

Winona:
66 Plaza East
Winona, MN 55987
507/454-6660
(Serves Dodge, Fillmore, Houston, Olms-
ted, Wabasha and Winona counties)

Worthington:
926 Fifth Avenue
Worthington, MN 56187
507/372-7368
(Serves Redwood, Cottonwood, Jackson,
Nobles, Rock, Pipestone and Murray
counties)

Legal Aid Society of Minneapolis

Downtown:

222 Grain Exchange Building
323 South Fourth Avenue
Minneapolis, MN 55415
612/334-5970
(Serves Hennepin County as well)

Southside:

2929 Fourth Avenue South
Minneapolis, MN 55408
612/827-3774
(Serves South Minneapolis)

Northside:

2507 Fremont Avenue North
Minneapolis, MN 55411
612/522-6636
(Serves North and Northeast Minneapolis)

Mid-Minnesota Legal Assistance:

Willmar:

316 S.W. Becker Avenue
Willmar, MN 56201-3398
612/235-9600 1-800-622-4011
(Serves Big Stone, Chippewa, Kandiyohi, Meeker, Renville and Swift counties)

Cambridge:

Route 5, Box 21
East Side Plaza
Cambridge, MN 55008
612/689-2849 1-800-622-7772
(Serves Chisago and Isanti counties; also Pine, Kanabec and Mille Lacs for senior citizens)

Little Falls:

62½ East Broadway
Little Falls, MN 56345
612/632-5431 1-800-622-7774
(Serves Todd, Morrison and Mille Lacs counties)

Marshall:

244 West Main Street
Marshall, MN 56258
507/537-1588 1-800-622-7771
(Serves Lincoln, Lyon, Yellow Medicine and Lac Qui Parle counties)

Montevideo:

Community Service Building
Suite 305
719 North Seventh Street
Montevideo, MN 56265
(612) 269-6857

St. Cloud:

St. Cloud Area Legal Service
830 West St. Germain
Suite 300
P.O. Box 886
St. Cloud, MN 56302

Legal Aid Service of Northeastern Minnesota

Administrative Office:

Duluth:

302 Ordean Building
424 West Superior Street
Duluth, MN 55802
218/726-4800
1-800-622-7266
(Serves South St. Louis, Carlton, Cook, Lake, Pine and Kanabec and Koochiching counties)

Local Offices:

Pine City:

235 South Sixth Street
Pine City, MN 55063
612/629-7166
(Satellite office of Duluth)

Virginia:

Olcott Plaza
820 North 9th Street
Suite 150
Virginia, MN 55792
(218) 749-3270
(Serves North St. Louis county)

Brainerd:
222 Laurel Street
Brainerd, MN 56401
218/829-1701
(Serves Cass, Crow Wing and Aitkin counties)

Grand Rapids:
Pokegama Hotel Building
4 Northeast Third Street
Grand Rapids, MN 55744
218/326-6695
(Serves Itasca county)

Northwest Minnesota Legal Services

Moorhead:
403 Center Ave., Suite 403
P.O. Box 714
Moorhead, MN 56560
218/233-8585 1-800-452-3625
(Serves Becker, Beltrami, Clay, Clearwater, Douglas, Grant, Hubbard, Kitten, Lake of the Woods, Mahnomen, Marshall, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Traverse, Wadena and Wilkin counties)

Anishinabe Legal Services

Box 157
Cass Lake, MN 56633
218/335-2223
(Serves Indian and non-Indian residents of Leech Lake, White Earth and Red Lake Reservations)

Judicare of Anoka County

2006 First Avenue No., Suite 205
Anoka, MN 55303
612/421-4760, extension 1376
(Serves Anoka County)

Rev. 1990

***Additional Consumer
Information Brochures
Available by Contacting the
Attorney General's Office:***

- Buying a New Car
- Collection Agencies
- Conciliation Court
- Constructive Complaining
- Credit Cards
- A Debtor's Guide to Garnishment
- Home Solicitation Sales
- Landlords and Tenants: Rights and Responsibilities
- Mechanics Liens
- Minnesota's Lemon Law
- Minnesota's Used Car Warranty Law
- Manufactured Home Parks
- Pyramid Schemes
- The Truth-in-Repairs Act
- Utility Shutoffs

The rights and duties of landlords and tenants in Minnesota are spelled out in state statutes, local ordinances, safety and housing codes, and in a number of court decisions. Landlord and tenant responsibilities tend to vary from place to place around the state. Certain rights and required duties apply to landlords and tenants everywhere in Minnesota. This booklet will attempt to explain these rights. This booklet should not be looked to as a final source of legal advice to be used in resolving specific landlord-tenant problems or questions. It is a summary of the laws that govern the landlord-tenant relationship.

At the back of the booklet are the names and numbers of organizations which may be contacted if further help or explanation is desired.

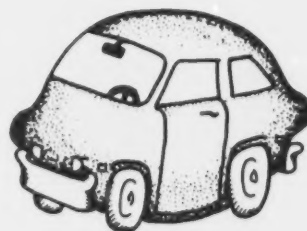
Tenants in federal housing and other forms of subsidized housing have additional rights under federal law not covered in this booklet. Those tenants should check their leases for this information.

Minnesota law (Minn. Stat. § 504.22) requires landlords to notify tenants that this booklet is available to them.

Rev. 1990



MINNESOTA'S
LEMON
LAW



INTENT AND EXTENT OF THE LAW

Popularly known as the "lemon law," Minnesota's motor vehicle warranty statute was created to help protect buyers and lessees of new passenger cars, pickup trucks, or vans — consumers who intend to use their purchased or leased car primarily for personal, family or household purposes. To be covered by the law, leased vehicles must have been leased for more than four months. However, the law does not cover motor vehicles which are no longer under an applicable written warranty.

WHAT THE LAW REQUIRES

Essentially, the law requires manufacturers to live up to the time and mileage provisions of their written warranties. The law applies to any written express warranties on the vehicle for the length of the warranty, or two years, whichever comes first.

Here is a general description of the law:

THE MANUFACTURER'S DUTY TO REPAIR

The manufacturer or its authorized dealer must repair the motor vehicle in accordance with the terms of the applicable written warranty if:

- (1) It has a defect or problem which is covered by the applicable written warranty; and
- (2) The defect or problem has been reported by the consumer within the applicable warranty period, or within two years after delivery of the vehicle, whichever comes first.

So long as the problem is reported during the applicable warranty period, or during two years after delivery, whichever comes first, the manufacturer must make the repairs necessary to correct the problem — even after the manufacturer's written warranty has expired.

THE MANUFACTURER'S DUTY TO REPAIR, REFUND OR REPLACE

If the manufacturer or authorized dealers have been unable to repair the problem after a "reasonable number of attempts," then under the law, you may go to court or through the manufacturer's arbitration program to seek a full refund of the purchase price, minus a reasonable deduction for your use of the vehicle. If the manufacturer offers a replacement vehicle, you can either accept the replacement vehicle or choose a refund.

The law creates a legal presumption that a "reasonable number of attempts" would be:

- Four or more unsuccessful attempts to repair the same defect; OR
- One unsuccessful attempt to repair a defect which has caused the complete failure of the steering or braking system and which is likely to cause death or serious bodily injury; OR
- A car which has been out of service for warranty repairs for 30 or more cumulative business days;

so long as any of these events occur within the applicable warranty period or two years, whichever comes first. However, even if these events do not occur within the specified periods, you may still have a lemon law claim, but you would not receive the benefit of the legal presumption.

BUT YOU SHOULD BE AWARE

The manufacturer does not have to make a refund or replace the motor vehicle if:

- The problem does not substantially impair the use or market value of the motor vehicle; OR
- The problem is the result of abuse, neglect or unauthorized modifications or alterations of the vehicle.

WHEN ARE YOU ELIGIBLE FOR A REFUND OR REPLACEMENT VEHICLE?

The fact that a shop has made a reasonable number of unsuccessful attempts to fix a substantial impairment does not, in itself, make you eligible for a refund or replacement vehicle. You must also first:

- Notify (or have notified) the manufacturer, zone representative or authorized dealer **in writing** of the problem, to (1) give the company an opportunity to fix the defect, and (2) to let the company know of your intention to invoke the provisions of the law if the defect is not properly repaired;
- Try to resolve the problem through the manufacturer's automobile dispute arbitration program, which the manufacturer must offer under Minnesota law. The manufacturer may require you to first go through the arbitration program before filing a lawsuit under the lemon law. Check with the manufacturer or the Minnesota Attorney General's Office if you have questions about a manufacturer's arbitration program.

If you are awarded a refund under the terms of the lemon law, the manufacturer must refund the full purchase price of the vehicle, or the amount you actually paid on your lease. With either a purchased or leased vehicle, the refund must include the cost of certain options installed by the manufacturer or dealer, sales tax, license fees, registration fees, and reimbursement for towing or rental expenses. Refunds for purchased vehicles include the amount stated by the dealer as the trade-in value of your previous vehicle, plus any additional amount

you paid for the new vehicle. However, for either a purchased or leased vehicle, the manufacturer may deduct a reasonable allowance for use of the vehicle during any period in which the vehicle was not substantially impaired. This deduction cannot exceed 10 cents per mile or 10 percent of the purchase price, whichever is less.

YOUR RIGHTS IN ARBITRATION: WHAT YOU NEED TO KNOW

Any automobile manufacturer doing business in Minnesota must offer you an arbitration program which considers consumers' warranty related disputes. The manufacturer's arbitration program provides you a fast and simple alternative to the courts for resolving your dispute. Arbitrators are free to consider any of your arguments based on the lemon law. But they are not judges, and are not required to apply the law the way a court would. You do not have to wait until all the lemon law criteria are met before going through arbitration. In fact, you may not even want to discuss the lemon law in arbitration if your car does not meet the lemon law criteria.

You must first go through the manufacturer's arbitration program before filing a lawsuit under the lemon law, unless the manufacturer does not require you to do so. You have the following rights during the arbitration process:

- **LEMON LAW INFORMATION:** You and the arbitrator(s) must receive a copy of this brochure from the manufacturer's arbitration program.

- **LEMON LAW ARGUMENTS:** You may make any arguments to the arbitrator(s) you think necessary to support your complaint, including those based on the "lemon law." The arbitrator(s) cannot be discouraged or prohibited from considering your arguments.
- **DOCUMENTS:** You and the manufacturer must receive all documents presented by either party, either before or at the time of the arbitration. If either party receives documents at the time of the arbitration, they may request a postponement to allow time to review the documents.
- **ORAL PRESENTATION:** You must be given reasonable written notice of the arbitration and an opportunity to make an oral presentation to the arbitrator(s), unless you agree to a telephone conference or to submit the case on the basis of documents alone. You may feel that you will get better results if you make a personal oral presentation to the arbitrator(s). If you submit the case on documents alone, the manufacturer or dealer representatives cannot participate in discussion or decision of the dispute.
- **INDEPENDENT APPRAISAL:** You must be given an adequate opportunity to get an independent appraisal, at your own cost, of any manufacturer claim that your vehicle does not have a problem or that your vehicle is operating within normal specifications.
- **REPAIR ATTEMPTS:** You must be given a chance to inform the arbitrator(s) about the results of any recent repair attempts by the manufacturer.

- **SERVICE BULLETINS:** You must be provided with, at reasonable cost, any technical service bulletin which the manufacturer knows directly applies to the specific mechanical problem being disputed.
- **ATTORNEY:** You have the right to be represented by an attorney in the arbitration process. However, most arbitration participants appear before the arbitrator without an attorney. Your attorney's fees for representation in arbitration are not recoverable under the lemon law.
- **COSTS:** You can be charged a small fee to participate in the arbitration program, but the fee may not exceed the Conciliation Court filing fee (usually \$15-20) in the county where the arbitration is conducted. Most manufacturers offer their arbitration program to consumers at no cost.
- **ARBITRATION DECISION:** You are not bound by the decision of the arbitrator(s), unless you agree to be bound. The manufacturers have in the past agreed to be bound by the arbitration decision. If you are unhappy with an arbitration decision, you may wish to consult an attorney as to whether you should file a lawsuit under the lemon law. The arbitration decision is admissible as nonbinding evidence in any subsequent legal action.
- **REFUND AMOUNT:** If the arbitrator(s) decides you should receive a refund or replacement vehicle under the terms of the lemon law, then you are entitled to the same refunds and reimbursements you would have received had you won in court.

- **BAD FAITH APPEAL:** If a court determines that you or the manufacturer have appealed an arbitration decision to court, in bad faith, the winning party in the court may be entitled to receive three times the actual damages, together with attorney's fees and costs incurred in the court action.

SUGGESTIONS ON THE USE OF THE LAW: IN ARBITRATION OR COURT

The refund and replacement provisions of the lemon law are intended to provide replacement or refund only in the cases of the most serious defects — faults which seriously impair the use or market value of the vehicle, or faults which involve life-threatening failures of the braking and steering systems. In order to see if the lemon law applies to your situation, we suggest that you consult with an attorney.

To assist in preparing yourself for any dispute, you should:

- (1) Keep copies of all purchase orders, sales receipts, lease agreements, warranties, repair invoices, letters and other materials concerning your vehicle and any of its problems or potential defects.
- (2) If your vehicle is in the shop for repairs for more than one day at a time, make sure that the repair invoice shows the date it was brought in and the date you were notified that it was ready to be returned.
- (3) If you or your attorney think you are eligible for a refund or replacement vehicle, remember that the law re-

quires that written notice be given to the manufacturer, zone representative or authorized dealer. You should send a letter by certified mail, with a return receipt request. If you send the letter to the dealer, send a copy to the manufacturer and keep a copy for your own records. You should include some or all of the following information in your letter, along with other details of the problem:

- Your name, address, and telephone number.
- The date of purchase of the automobile.
- An identification of the defect(s) and which system(s) of the vehicle it affects.
- The number of times the vehicle has been subject to repairs for the same problem, and the dates of the repairs.
- Copies of the repair invoices.
- The number of business days the vehicle has been out of service for repairs.
- A statement that the defect still exists as of the date of the letter.
- A reference to the lemon law (Minnesota Statutes, Section 325F.665) and a statement that you will pursue a replacement or refund claim under this law if the vehicle is not made to conform to the warranty.
- A request for information concerning any arbitration program the company may have.

IF YOU FEEL YOU MUST SUE

If you feel you must bring a lawsuit under the lemon law to seek a refund or replacement vehicle, you should consult an attorney (you may be eligible to recover his or her fees incurred in the lawsuit, should you win). The law allows you to file suit any time within three years of the date of original delivery of the vehicle, except that if you go through a manufacturer's arbitration program, then you must file your lawsuit within six months after the arbitrator(s)' final decision.

If you have any additional questions about this law, contact the Attorney General's Office, Consumer Services Unit.

In St. Paul: 117 University Avenue
St. Paul, MN 55155
(612) 296-3353

In Duluth: 708 Government Services Center
320 West 2nd Street
Duluth, MN 55802
(218) 723-4891

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**MINNESOTA'S
USED CAR
WARRANTY LAW**



**(AND HOW TO
BUY A
USED CAR)**

**MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY III
ATTORNEY GENERAL**

Used Car dealers must provide basic warranty coverage for most used cars and small trucks sold to Minnesota car buyers.

In 1988, the Minnesota Legislature passed one of the strongest Used Car Warranty Laws in the country. Under the Minnesota Used Car Warranty Law, which went into effect August 1, 1988, used car dealers must provide basic warranty coverage for most used cars and small trucks sold to Minnesota car buyers.

Here is a general description of the law:

The Basic Warranty

The Used Car Warranty Law covers used cars purchased primarily for personal, family or household purposes. The terms and duration of the warranty will depend upon the mileage on the car at the time you buy it. For cars with fewer than 36,000 miles, the warranty applies for 60 days or 2,500 miles, whichever comes first. The parts covered under the warranty for cars in this mileage range are:

- **Engine:** all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear.
- **Transmission:** automatic transmission case, internal parts, and torque converter; or, manual transmission case and internal parts.
- **Drive axle:** axle housings and internal parts, axle shafts, drive shafts, output shafts, and universal joints. (Secondary drive axles are covered on automobiles and passenger vans, but are not covered on other vehicles mounted on a truck chassis, such as utility and off-road vehicles.)

- **Brakes:** master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers.
- **Steering:** steering gear housing and all internal parts, power steering pump, valve body, piston, and rack.
- **Water pump.**
- **Externally-mounted mechanical fuel pump.**
- **Radiator.**
- **Alternator, generator, and starter.**

For cars with between 36,000 and 75,000 miles, the warranty applies for 30 days or 1,000 miles, whichever comes first. For cars in this mileage range, the warranty covers the parts listed above, except for the following parts which are not covered:

- **Rack.**
- **Radiator.**
- **Alternator, generator, starter.**

PARTS ARE NOT COVERED UNDER THE USED CAR WARRANTY LAW IF THEY ARE NOT SPECIFICALLY LISTED ABOVE.

Who Provides A Used Car Warranty?

The used car warranty applies only if you buy your car from a used car dealer. Thus, the used car warranty does not apply if you buy a used car from a relative, friend or neighbor. Nor does the warranty apply if you buy your car from:

- Your employer.
- A bank or financial institution.
- A company that previously leased the car to you or a family member.
- The state, or any county or city in Minnesota.
- An auctioneer who sells the car in connection with the sale of other property or land.

If you buy a qualifying car from an unlicensed dealer, your car is covered by the Warranty Law.

"Unlicensed" Dealers

One problem the Used Car Warranty Law addresses is the problem of "unlicensed dealers." State law says that any person who is in the business of selling used cars and who sells more than five used cars in a year is a "dealer," and must obtain a dealer's license.

An unlicensed dealer is a person who sells more than five used cars in a year, but fails to get a dealer's license. Typically, an unlicensed dealer sells cars one at a time from his or her home or business. If you buy a qualifying car from an unlicensed dealer, then your car is covered by the Used Car Warranty Law. You should realize that in such cases you are legally entitled to warranty coverage even if the unlicensed dealer fails to give you any written warranty documents.

Exclusions

Remember that the used car you buy might not be covered by the Used Car Warranty Law. The following cars are excluded from the law and are not covered by a warranty:

- cars with 75,000 miles or more;
- cars sold for less than \$3,000;
- cars with diesel engines;
- custom-built cars, or cars modified for show or racing;
- cars that are eight years of age or older;
- cars purchased primarily for business or agricultural use;
- vehicles with gross vehicle weight above 9,000 pounds;
- vehicles manufactured in limited quantities;
- vehicles not manufactured in accordance with federal emission standards.

The "Buyer's Guide"

A federal rule requires that dealers post a notice called a "Buyer's Guide" in the side window of all used cars offered for sale. If a car is covered by the state's Used Car Warranty Law, then the dealer must check the "warranty" box on the Buyer's Guide. The dealer must also describe the terms and duration of the warranty on the Buyer's Guide. However, if a car is not covered by the warranty law and no warranty is offered, then the "as is" box must be checked.

Even if the car you buy is covered under the Used Car Warranty Law, you may waive warranty coverage for any particular covered part. If you waive coverage on a part, it means there is no coverage for that part. In order for warranty coverage to be waived for a particular part, the dealer must disclose on the Buyer's Guide notice that the part is not working properly, and you must sign and circle this statement.

The Dealer's Duty Under The Warranty

If a malfunction, defect or failure in a part covered by the used car warranty occurs during the warranty period, then the dealer must repair or replace the part at no charge to the car buyer. However, to protect your rights under the warranty, you must promptly notify the dealer of the problem within the warranty period, and you must arrange to have the vehicle taken to the dealer for inspection and repair.

If the dealer does not have a repair facility, the dealer will tell you where to take the vehicle for inspection and repair under the warranty. If it is impossible or unreasonable to return the vehicle to the dealer, you may have the repairs done somewhere else after you get the dealer's consent.

If a warranty part is repaired or replaced under your warranty, your warranty for that part is extended from the date of repair for an additional warranty period. For exam-

ple, if you have your transmission repaired under your used car warranty, then the transmission remains under warranty for an additional 30 days or 1,000 miles (or 60 days or 2,500 miles) from the date of the repair.

Of course, the dealer is not responsible for any malfunctions, defects, or failures which occur after the warranty period expires. Nor is the dealer responsible for repairs of parts not covered by the warranty.

Refunds

A dealer may decide to refund you the amount of your purchase price rather than repairing or replacing a warranty part. If the dealer chooses to give you a refund, you must return the vehicle to the dealer. The refund must include all the charges you paid, including towing expenses, minus a reasonable deduction for your use of the vehicle.

Remember that the dealer has the choice of correcting the warranty problem or giving you a refund; the law does not give the car buyer the right to demand a refund of the purchase price.

Ordinary Maintenance

The warranty under the Used Car Warranty Law does not cover ordinary maintenance of your car. Thus, repair or replacement of maintenance items (such as spark plugs, ignition points, filters, fluids, lubricants and oil, and brake and clutch linings) remains your responsibility. The warranty does not cover normal wear and tear.

Limits On The Warranty

The warranty does not cover any repair problems caused by collisions, abuse, negligence, or lack of adequate maintenance after you buy the car. Nor is the dealer required to repair any parts still covered by the original factory warranty, or parts that the manufacturer agrees to repair at no charge.

Bringing A Lawsuit

If a used car dealer fails to comply with the warranty law, you may bring a lawsuit against the dealer. Any lawsuit under the Used Car Warranty Law must be brought within one year after the warranty expires.

Often, you will be able to bring your case in Conciliation Court, where the procedures are relatively informal and where you will not be required to hire an attorney. (For more information about Conciliation Court, ask for our free brochure.)

REMEMBER — even with these new warranties created by law, the best protection is to be a smart shopper when you are looking for a car.

Even with these new warranties, the best protection from a used car lemon is to be a smart shopper.

GET THE FACTS

Before setting out on a shopping expedition it's best to have a clear idea of the type, make, age and price range of the vehicle you want. Consider your own needs in determining the size and type of car. Consider your own personal finances in deciding how much you can afford to spend on a car.

To determine which type of car is most useful, reliable and best suited to your needs, consult buyers' guides and consumer magazines available at local libraries. These publications usually have special sections on used car buying, with information on which model years are good buys. You may want to select a make and model, and an alternate, based on the information, as popularity and short supply may inflate prices beyond what you can afford and what is reasonable.

WHERE TO BUY

Although it will take an investment of your time, it is a good idea to shop around before you buy a used car. It's worth your time to get the best buy available. Many used car sales are made at dealerships. Consider the reputation of a dealer to find out if reasonable services are offered and whether the dealer has a good history of customer relations.

To check on the business history of a dealer, contact the Better Business Bureau or other consumer agencies. Talk to friends, relatives and acquaintances who may have done business with the dealer and ask their opinions about the firm's dependability.

Don't forget the thousands of other sellers of used cars — the private parties who advertise in the classified section of the newspapers. You may get a lower price from a private seller, but remember that you will probably be passing up your warranty protection.

INSPECT THE USED CAR

(1) **Check the car visually.** Look for leaks and puddles. See if the car smokes when it is running. Make sure all the lights work. Look for rust. Check the paint for signs of a repaint job which may hide rust or body work resulting from an accident. Tell-tale signs include: mismatched colors, runs, sags and overspray — a fine dusting of paint where it doesn't belong, like on the chrome or tires. Look for cracks or chips in the glass. Check the amount of wear in the interior, flooring, paneling and seats. Check the tire tread, especially for uneven wear.

(2) **Drive the car.** Listen for any noises that seem out of the ordinary to you, regardless of what the seller says. Make sure the car stops in a straight line. See if it leans, sways or bounces more than usual in corners. Even if the car checks out well in both the visual and driving tests, it may be wise to keep looking a bit more. It's to your advantage to have several cars to choose from.

It is a good idea to shop around before buying a used car, because it's worth your time to get the best buy available.

(3) **Ask a mechanic to check the car.** When you're seriously considering one or more cars, ask the sellers to let you take the car to your mechanic or a diagnostic center (listed in the yellow pages of the telephone book). It's best to take a car to an independent garage or center, one that does not have its own cars to sell.

It will cost some money to have an expert check the car, but this investment could save you a lot of money on unforeseen repair work.

Once at the mechanic's shop, ask specifically about anything that may have looked, sounded or even smelled unusual to you during the test drive. Ask the mechanic if any identified problems will be major repairs or minor routine maintenance, and get a cost estimate on the repairs.

If the problems are unfixable, too major or too expensive, you'll probably want to keep looking. However, if the car is fixable and you're still interested, you may want to:

(A) deduct the cost of the repairs from the price you think is reasonable and get the car repaired yourself;

(B) stick to your original, reasonable price figure, but make the seller fix the car as a condition to the sale.

If you decide to do (B) above, and the seller agrees, make sure you get the agreement in writing on the purchase contract. Use the mechanic's report to specify exactly what is to be fixed and try to get the seller to issue a warranty on the repairs.

Odometer Tampering

Odometer spinning is a multi-million dollar a year crime which continues to occur in Minnesota as well as throughout the United States. Investigations by the Minnesota Attorney General's Office have revealed the professional odometer spinner typically spins odometers on late-model used cars, generally not more than four years old. Typically, the spinner turns the odometer back to a reading between 30,000 and 40,000 miles. In fact, the actual mileage is probably two to three times what the odometer shows.

Check the car's tires. If a used car only has 30,000 miles on it, for example, it should ordinarily have the original brand of factory tires. If the tires are mismatched brands, the car may have actually traveled more than the 30,000 miles the odometer indicates.

Check with the former owner to avoid falling victim to odometer tampering.

CHECK WITH FORMER OWNER

The best way to find out the history of a used car is to contact the former owner. You can get this information by contacting the Motor Vehicle Division of the Minnesota Department of Public Safety.

Ask the Division to provide you with a title history. A title history provides a computer readout of information including everyone who has owned that car, when the car was sold and the odometer reading at the time it was sold.

If you can reach the former owner, you can find out:

- what the true mileage of the vehicle is, if known;
- whether the former owner had any accidents or major repairs;
- whether there was anything wrong with the car when it was traded;
- the former owner's general satisfaction with the car.

Checking with the former owner will give you the most accurate history of a used car you are considering.

THE NEGOTIATION

First, determine the "Blue Book" value of the car by going to any financial institution and asking the loan manager to look up the price figures. These figures are compiled on the wholesale value of vehicles or what the financial institution would lend you to buy the car.

Use these figures and any estimated repair costs to determine how much you want to pay for the car and how reasonable the seller's asking price is.

Once you know how much you want to pay for the car, set a maximum limit for yourself and don't go beyond it. Start negotiating with the seller below your maximum to give yourself some bargaining room. The seller's asking price is usually flexible too. Except for taxes and license fees, other items in the contract are negotiable, including the price of the car, the trade in, the service contract, rustproofing, and any add-ons.

Even with the Used Car Warranty Law, some cars may continue to legally be sold "as is" with no warranty protection.

"AS IS" OR WARRANTY

Whether your car will come with a warranty generally depends on whether you buy a car covered under the Used Car Warranty Law. If your car does not meet the guidelines mentioned in the front of this pamphlet, chances are it will come without a warranty. However, even if the car is not covered under the Used Car Warranty Law, the dealer may still choose to offer a warranty for your car.

A car which is sold without a warranty is sold "as is." That means the seller has no obligation to fix any problem that may arise. Check the Buyer's Guide window sticker to determine if you will receive a warranty. That sticker will tell you if you have a warranty, or if you are buying "as is."

SERVICE CONTRACTS

In case you're offered an "extended warranty" at an additional cost, you should be aware that this is NOT a warranty at all; it is a service contract. Most provide very limited coverage for the car, so you should read the service contract carefully before deciding whether you want to buy this coverage. You should also be aware that a service contract is frequently a profit item for the dealer; like any other add-on, the cost may be negotiated.

THE CONTRACT

Carefully read the contract before signing on the dotted line. Read everything in the contract, including the fine print. Make sure everything you and the seller have agreed to is included in the contract.

1. If your used car comes with a warranty, be sure it is written in the contract and that you receive a properly filled out copy of the Buyer's Guide.

2. If you have an agreement from the seller to repair the car as a condition of sale, be sure that it is written in the contract.

3. Request that the dealer state in writing that all federal government safety recall service has been completed at the time of the sale.

Make sure all portions of the contract are filled in before you sign.

The Deposit

Before signing a purchase contract, you will be asked to make a deposit on the car to ensure you are serious about buying it. If you change your mind after this point, the seller may have a legal right to keep the deposit. If you're not sure this is the car you want, don't put a deposit on it because you may not get your money back.

Three-Day Cooling-Off

Many Minnesotans believe that the three-day "cooling-off" law applies to an auto purchase. **IT DOES NOT.** That law, the Home Solicitation Act, applies only to sales made somewhere other than at the seller's usual place of business, usually your home. Once you sign an auto contract, you are obligated.

FINANCING

If you buy a used car, you're likely to buy financing as well. The main rules of buying apply here too. First, shop around. You don't have to finance a car where you buy it, although many dealers offer their own fi-

nancing. Get a quote from different lending sources and compare your total costs, including the interest rate and the final total cost including interest. Check to see if there are pre-payment penalties or balloon payments and whether or not credit insurance is included. Credit insurance is almost never required, so don't buy it if you don't want it. If the dealer does require credit insurance, keep in mind that you may assign an existing insurance policy or purchase the insurance from other sources.

Read everything in the loan agreement before you sign!

Don't be swayed by pressure selling and don't be rushed.

PROTECT YOURSELF

Don't be swayed by pressure selling and don't be rushed. The purchase of any car is a major investment, and it is worth your time and effort to carefully consider what you are buying.



FOR FURTHER INFORMATION

Contact the Minnesota Attorney General's Consumer Services Unit.

In St. Paul: 117 University Avenue
St. Paul, MN 55155
(612) 296-3353

In Duluth: 708 Government Service
Center Building
320 West 2nd Street
Duluth, MN 55802
(218) 723-4891

In illegal pyramid schemes, the emphasis in the sales pitch is on recruiting — building up the organization and the number of participants and on collecting the “start up” fee — not on selling the products. Pyramid schemes want to make money from you, not the product sales.

QUESTIONS TO ASK

- (1) What is the required start-up cost to become a “distributor”?

If the cost is substantial — beware! Pyramid schemes make most of their profits on the signing-up of new recruits. The start-up fee in multi-level companies is generally small.

- (2) Will the company buy back unsold inventory?

If the answer is no — beware! Legitimate companies requiring inventory purchases will usually buy back any unsold products if you decide to quit the business.

- (3) Are the products sold to consumers?

If the answer is no — beware! Multi-level companies depend on consumer sales and established markets. Pyramid schemes make their profits on new recruits.

HOW TO PROTECT YOURSELF

- Don't be rushed into any business deal. A legitimate business opportunity won't disappear overnight.
- Inquire about the company and its officers; the products, including the potential market in your area; start-up fees; buy-back provisions; actual earnings of active distributors.
- Get written copies of all available company literature.

- Check with others who have experience with the company and its products. Find out if the products are actually being sold to consumers.
- Investigate and verify all information. Contact the Minnesota Attorney General's Consumer Division, your local Chamber of Commerce, or the Better Business Bureau if you suspect a company may be engaged in an illegal pyramid scheme.
- If a pyramid promoter or recruiter tells you that the program has been examined and approved by the Attorney General's Office, know that that is not true. The Attorney General's Office does not approve any marketing programs. If such representations are made to you, please notify the office at either of the addresses and numbers below.

For further information, contact:
Minnesota Attorney General's Office
Consumer Services Unit

In St. Paul: 117 University Avenue
St. Paul, MN 55155
(612) 296-3353

In Duluth: 708 Government Services Center
320 West 2nd Street
Duluth, MN 55802
(218) 723-4891

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PYRAMID SCHEMES



MINNESOTA ATTORNEY GENERAL'S OFFICE
HERBERT H. HUMPHREY, III
ATTORNEY GENERAL

WHAT IS A PYRAMID SCHEME?

Pyramids are illegal schemes in which large numbers of people at the bottom of the pyramid pay money to a relatively few people at the top. Each new participant is recruited to pay for the chance to advance to the top and profit from payments of others who the participant has, in turn, recruited to join in the scheme.

Pyramids are promoted as an "easy way" to make money. Promoters play on people's fears of "missing out on a good deal" if they don't join. Recruiters don't tell new participants that the scheme is rigged against them.

PYRAMID SCHEMES ARE ILLEGAL AND DECEPTIVE

Pyramids are illegal because they are, by mathematical certainty, doomed to failure. No matter when that failure occurs, the number of latest recruits will always grossly exceed the sum of all prior recruits. The result is that the vast majority of participants lose all or some of their money while the promoters — those at the top of the pyramid — make a lot of money. These facts are known to the promoters, but are not apparent to consumer participants. Because pyramid sales plans are by their very nature deceptive, they have been made illegal by the Minnesota legislature.

But there's another kind of liability associated with such schemes as well. While the recruits at the bottom may lose their money, it is the person one level up — the one who has talked them into joining the pyramid — who could wind up losing the most. Typically that's a friend or relative who, at best, will be seen as possessed of questionable judgment, at worst, as one who has violated a trust.

Ultimately, participants in a pyramid, whether they mean to or not, are deceiving those they recruit. Few would pay to join if the stacked odds against them were fully explained.

PYRAMID REALITY

Pyramids inevitably collapse because it is mathematically impossible to recruit the numbers of people required to support the pyramid. A nine-level pyramid, which is built by each participant getting six "friends" to join, would involve over ten million people!

1	6
2	36
3	216
4	1,296
5	7,776
6	46,656
7	279,936
8	1,679,616
9	10,077,696

Obviously, the pyramid will soon run out of new participants, leaving the majority as losers in the scheme.

HOW A PYRAMID WORKS

While there are many varieties of pyramid schemes, a simple pyramid — say a five level program built on recruitment by fours — might work like this: A new recruit would pay \$100 to "join" the organization. That money would then be disbursed at regular intervals by the company — \$25 to the recruiter, \$25 to the company, and \$50 to the recruiter's "up-line" in the form of \$10 payments to the recruiter's recruiter, the recruiter's recruiter's recruiter, and so on through five levels. For this \$100 "fee", the new participant would receive some product (maybe), some service (maybe), and the right to sell the same right to sell (absolutely).

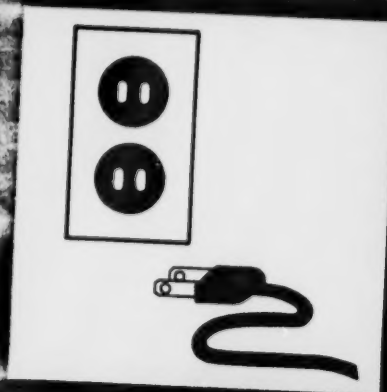
The new recruit would recover the \$100 "fee" by recruiting four more people, each of whom would pay him or her \$25. Having already broken even, the participant would then make money from all recruiting done by the four recruits and their recruits. Assuming successful recruiting by fours down through five levels, a participant would make a cumulative total of \$54,560: \$160 on the first level — i.e., four people each recruiting four others at \$10 a person ($4 \times 4 = 16 \times \$10 = \$160$); \$640 on the second level — i.e., 16 people each recruiting four persons at \$10 each ($16 \times 4 = 64 \times \$10 = \$640$); \$2,560 on the third level ($64 \times 4 = 256 \times \$10$); \$10,240 on the fourth level ($256 \times 4 = 1024 \times \$10$); and \$40,960 on the fifth level ($4 \times 1024 = 4096 \times \$10$).

THE DIFFERENCE BETWEEN PYRAMID SCHEMES AND MULTI-LEVEL MARKETING

Multi-level marketing is a method of retailing in which consumer products are sold by independent distributors, usually in customers' homes. Multi-level marketing companies, as legitimate business opportunities, are companies which primarily sell products or services, but which may also seek to expand distribution by recruiting new distributors. Such a business whose primary emphasis in the pursuit of profits is on the sale of merchandise or a service, is not illegal.

Many pyramid promoters, however, attempt to make their schemes look like a multi-level marketing company by taking on a line of near-worthless products and claiming to be in the business of selling them. In pyramid schemes, little or no effort is made to actually market the products. Indeed, often there is no established market for the products. Rather the "sale" of such merchandise is used as a front for the transactions which occur only among and between the operation's distributors.

UTILITY SHUTOFFS



MINNESOTA ATTORNEY GENERAL'S OFFICE
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

This pamphlet attempts to answer the most frequently asked questions about the disconnection of gas, electric and telephone services for nonpayment of bills. A short pamphlet cannot possibly cover the entire subject, so you should call the numbers listed on the back if you need further information.

Q. ARE UTILITY COMPANIES ALLOWED TO DISCONNECT SERVICE FOR NONPAYMENT OF BILLS?

A. Yes, but only under certain circumstances. Most utilities are required by Minnesota law to take specific steps to protect their customers from unnecessary and disruptive shutoffs of service. Customers of these utilities have specific rights:

- (1) to be adequately notified before disconnection;
- (2) to enter into payment plans for back bills. However, to protect yourself, you must act before your service is disconnected. It is best to contact the utility company as soon as you receive a notice informing you that disconnection will result if you don't pay your bill.

Q. ARE ALL UTILITY COMPANIES COVERED BY THE SHUT-OFF LAWS?

A. No. Only those utility companies which are regulated by the Minnesota Public Utilities Commission (PUC) must follow the procedures discussed in this pamphlet. Be aware that not all utility companies are regulated by the PUC. Utility companies which the PUC does not regulate include:

- municipal utilities
- rural electric cooperatives, except those whose members have voted for regulation by the PUC (at this time only Dakota Electric and Frost-Benco customers have voted for regulation).

Q. MAY A UTILITY COMPANY DISCONNECT MY GAS OR ELECTRIC SERVICE IN THE WINTER?

A. Yes — except under certain circumstances, chief among which must be the fact that cutoff would deprive you of your primary heat source. If you meet this and certain other requirements, Minnesota's Cold Weather Rule prohibits utilities from shutting off service between October 15 and April 15. Details of the Cold Weather Rule appear later in this pamphlet.

Q. MAY A UTILITY COMPANY DISCONNECT SERVICE TO A TENANT IF A LANDLORD DOESN'T PAY THE BILL?

A. Yes. However, if the landlord is supposed to pay for utilities, the utility company must first offer the tenants the opportunity to sign up for service in their own names before disconnecting, provided that it's possible to set up service on that basis. The utility may not attempt to collect the landlord's old bill from the tenants.

In Minneapolis and St. Paul, city ordinances allow tenants to deduct their utility bills from their rent if the landlord has agreed to pay for utilities and then fails to do so.

Q. WHAT ABOUT DISCONNECTIONS FOR A BILL OWED BY SOMEONE ELSE?

A. A utility company may not shut off your service for a bill owed by a previous customer at your address, unless that customer still lives there. For example, if you change the name on the bill from the husband's name to the wife's name, you can still be disconnected for nonpayment if the husband continues to live in the household.

Q. SHOULDN'T A UTILITY FIRST APPLY MY DEPOSIT TO MY BILL BEFORE DISCONNECTING ME?

A. Yes. If you paid a deposit, then a utility can only shut you off if your bill exceeds the amount of the deposit.

Q. WHAT IF I DISAGREE WITH THE AMOUNT OF THE BILL?

A. You must inform the utility company of this before it attempts to shut off your service. Then the utility must investigate your claim. It cannot disconnect your service until it has reported the results of its investigation to you in writing. At that time, you have to pay in full the amount you and the utility company agree you really owe. If you cannot resolve the dispute after going through this process, then you may pay the disputed portion of your bill into an escrow account. Request an Escrow Payment Form from the utility company and send a copy to the PUC. The PUC will then determine how to settle the dispute.

Q. WHAT DO I DO IF I CAN'T PAY MY OVERDUE BILL IN FULL?

- A. First, if it is winter and your heat source would be affected by a shut-off, you may seek protection under the Cold Weather Rule. Even if it is not winter, you can still use the utility company's Budget Plan, if it offers one.

Q. WHAT IS THE COLD WEATHER RULE?

- A. The Cold Weather Rule prohibits regulated gas or electric utility companies from shutting off service to residential customers between October 15 and April 15, but only if:

- (1) Your primary heat source would be affected, *and*
- (2) You are unable to pay your bill, *and*
- (3) You did not have any overdue bills on the previous October 15, *and*
- (4) You are willing to start paying off your delinquency at an amount that you and the utility agree on.

Under these circumstances, if you show that you are unable to pay, you are fully protected against a winter shut-off of your main heat source so long as you are willing to start paying off your bill.

In addition, the Cold Weather Rule gives every residential customer of a regulated utility company the right to enter into a payment schedule with the company. The payment schedule is negotiated with the utility company by the customer, or his

or her representative. The payment size should be based on the customer's economic and other uncontrollable circumstances. You have a right to appeal the payment schedule to the PUC if you and the utility can't agree. Once you have agreed on a payment schedule, you cannot be disconnected if you are reasonably on time with your payments.

Q. HOW DO I SHOW THAT I AM UNABLE TO PAY?

- A. In order to show that you are unable to pay your bill, you must complete an Inability To Pay form and return it to the utility company as soon as you receive your shutoff notice.

A preprinted Inability To Pay form must be provided to you by the utility company at the time it delivers your shut-off notice. Call the utility company and ask for one if you did not receive it. *If you do not complete and return the Inability To Pay form, your service may be disconnected. The utility company has to allow you to file the Inability To Pay form if you want to. Do not let anyone from the utility company discourage you from filing this form.*

If the utility company believes that you do not qualify for protection, it must file an appeal with the Public Utilities Commission. The PUC will then decide whether you qualify for full protection under the Cold Weather Rule. Before doing so, it will ask you to provide some information on your income. Your service can't be shut off until the PUC reaches a decision on your ability to pay.

Q. HOW DOES THE BUDGET PLAN HELP?

- A. The Budget Plan does two things: (1) it allows you to spread out your current energy bills over the entire year in order to avoid high bills in a particular season (winter if you're a heating customer; summer if you use air conditioning); (2) it allows you to spread the repayment of your overdue bills over a minimum of ten months.

Most of the regulated gas and electric utility companies in Minnesota have a Budget Plan available. If your utility company does offer a Budget Plan, it must offer it to all its customers, even those with delinquent accounts. If you can't pay your full bill now and elect to go on the Budget Plan, each month you would pay 1/12th of your estimated annual usage, plus a fraction of your delinquent bill. If you get on this plan and keep up your payments, you will not be shut off.

Here's an example of how the Budget Plan works:

Suppose you owe \$400. Your current monthly bill is another \$150. Without the Budget Plan, you would owe \$550 right away.

Under the Budget Plan, the utility company would estimate your energy usage for a whole year based on previous usage in your dwelling. Let's suppose your annual usage is \$800. Each month, you would pay 1/12th of the \$800, or \$66.66, plus 1/10th of your \$400 overdue bill, or \$40, for a total bill monthly of \$106.66.

The advantage of a Budget Plan over the payment schedule under the Cold Weather Rule is that under the Budget Plan, you are allowed to pay off your delinquency over a minimum of 10 fairly equal monthly installments, but under the Cold Weather Rule you may have to pay off your account in a shorter time.

Q. CAN I GET HELP FROM ENERGY ASSISTANCE IN PAYING MY HEATING BILLS?

- A. Yes, if you are eligible. Information on where to get financial assistance in paying off your bill must be provided by the utility company with your shut-off notice. If you qualify, the assistance may be used to pay off your overdue bill, your current and future bills, or both. In order to receive assistance before you are shut off, call the Energy Assistance offices as soon as you receive your shutoff notice. If, when you receive your shutoff notice, you have already applied for energy assistance and are still waiting to hear if you are eligible, call the utility company immediately. Generally, the utility company will wait until you find out if you are eligible for energy assistance.

Q. WHAT IF I DO GET DISCONNECTED?

- A.** First, you may have to pay the utility company a reconnection fee. This might be as much as \$30 or \$40 or more. Second, the utility company may insist that you pay off your entire overdue bill plus a substantial deposit before it restores your service. If you want to avoid these charges, it is essential that you contact the utility company and make satisfactory arrangements before you are shut off.

For more information, contact the:

Minnesota Attorney General's Office
Utility Regulation Division
1100 Bremer Tower
7th Place and Minnesota Street
St. Paul, MN 55101
(612) 296-9412

or

Public Utilities Commission
Consumer Complaint Division
Room 780
American Center Building
160 E. Kellogg Blvd.
St. Paul, MN 55101
(612) 296-7126

Printed on recycled paper.

Minnesota Council on Economic Education
CATALOG
Materials Lending Library Catalog

Consumer Economics
Secondary, Grades 9-12

1991

FORWARD

The Minnesota Office of the Attorney General and the Minnesota Council on Economic Education are pleased to improve the quality and enhance the quantity of economic education in the state by making educational materials available on a free loan basis to people interested in economic education.

The annotated bibliography that follows describes the latest materials available in consumer education in the form of films, filmstrips, video tapes, computer software, lesson plan packages, curriculum guides and teacher resources. Each annotation identifies the type of material and provides a short description.

April, 1991
Deborah Johnston
Consumer Education Program Coordinator

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IMPORTANT NOTE

Video cassettes listed with a number and * may be obtained by sending a blank tape, indicating the format and speed (VHS - sp or lp; Beta - speeds II or III) to:

Tapes for Teaching
Minnesota Department of Education
Education Media Unit
601 Capitol Square
St. Paul, MN 55101

If you have any questions, call 296-6114.

SECTION I: Audio Visual Materials

VIDEO CASSETTES

1 CHICKENOMICS
25 minutes

Explains the story of how the SAN DIEGO CHICKEN rose to fame and fortune utilizing the principles of free enterprise - private ownership of economic resources, self-interest motive, consumer sovereignty, markets and competition. A simplified presentation of the American economic system.

2 CHICKENPOWER: THE STORY OF ENERGY
World Research Inc. 1985 25 minutes

The San Diego Chicken helps tell the story of the economics of energy. This provocative film makes learning about this topic interesting and it demonstrates how principles of economics are useful in analyzing important issues.

3 THE CONSUMER CONNECTION
22 minutes

The economics of the American food system - from farm to table. The impact of consumer demand on what goods and services will be supplied in the marketplace. Explains the role of the middleman (super market) in the consumer connection.

4 FAMOUS AMOS: THE BUSINESS BEHIND THE COOKIE
Simon & Schuster Communications 30 minutes

Examines the role of the entrepreneur and the specific economic concepts that are important to the start-up, growth and success of a new business venture. These concepts are illustrated through the example of Famous Amos and his cookie business.

5* YOU CHOOSE/SCARCITY AND PERSONAL DECISION MAKING
15 minutes

When Lily and her friend June decide to earn money over vacation painting an apartment, they find they have difficulty budgeting their time and managing their money. They learn an easy five-step decision-making model that helps them solve their problems.

6* WE CHOOSE/SCARCITY AND SOCIAL DECISION MAKING
15 minutes

A lunch hour jaywalking accident at school confronts

the student council with a conflict between individual rights and social responsibilities. Crossing guards are one answer, but there's no money to pay for them. The students discover that, when the issue is consumer protection, reconciling conflicting goals is not an easy task.

7* **LET'S SAVE/OPPORTUNITY COSTS**
15 minutes

Robert, Ricky and Paco want to enter their rock trio in a talent contest. They decide it is a good trade-off to give up movies, records and other recreational activities to save money for new outfits. But when Ricky needs part of their savings to honor an earlier commitment, the group is faced with other opportunity costs to consider and a new decision to make.

8* **CREDITWISE/OPPORTUNITY COSTS**
15 minutes

There are many good things about credit, and Tina, a young spendthrift, has discovered most of them. But when her credit begins to run out, her parents, her best friend and even her sister try to convince her that she should be wise to consider the opportunity costs of using credit.

9* **WHERE DO JOBS COME FROM?/DERIVED DEMAND**
15 minutes

When his mother loses her job because the product she helps manufacture is no longer in great demand, Scott is certain he made the right choice. He will quit his job and train for another in a field where the demand for a service will keep him in demand, too. But his sister Lindy faces a tough choice: whether to take a chance and begin a singing career or try more cautious paths.

10* **A KEY TO PRODUCTIVITY/HUMAN CAPITAL**
15 minutes

While working in a locksmith shop, Brett and Carl find that learning a new job skill leads to increased productivity and to better opportunities. When competitors come looking for skilled workers, each begins a reevaluation of his career plans in light of his newly-acquired worth.

11* **PRIVATE OR PUBLIC/PUBLIC GOODS AND SERVICES**
15 minutes

Everyone likes the new park the sophomore class has

created on a privately-owned lot and now a businessman wants to buy it. Should the park be sold to a private concessionaire for his fast food trolley or should the city try to find the funds to buy it for a public park: should it be private or public?

12* **CHANGING TAXES/PUBLIC GOODS AND SERVICES**
15 minutes

Dennis loses more than his job when the city reduces services after the voters approve a tax cut. Without money to buy a car, how will he visit his girl who lives in another city? Romance receives an unexpected benefit when his father's refuse collection business expands in the wake of a reduction in another city service and an unusual set of wheels becomes available.

13* **MARKET PRICES/SUPPLY AND DEMAND**
15 minutes

This combination of documentary and dramatic vignettes explores the many effects a change in the price of sugar has on consumers and the marketplace.

14* **THE CHANGING MARKET/SUPPLY AND DEMAND**
15 minutes

Three teenagers go into business for themselves and find it is not always easy to balance supply with demand. First the demand for their new unisex perfume exhausts their supplies. Then a drastic drop in demand has them searching for new ways to sell their product.

15* **TAKE YOUR CHOICE/SUBSTITUTION: THERE ARE SUBSTITUTIONS FOR ALMOST EVERYTHING**
15 minutes

From new improved products to more economical ones. When the only delivery truck in a rural community is wrecked, Brian finds a way to save the horse his family cannot afford to keep. He proves that sometimes it makes economic sense to substitute old ways for new.

16* **WHY COMPETITION?/MARKET STRUCTURE**
15 minutes

There is a monopoly at the school concession stand and prices are high. A group of students decides that some competition could help the entire student body. It works; the prices come down all right, but can the group operate its business this way forever?

- 17 **IT'S ALL MINE: SAVINGS AND MONEY**
12 minutes
- Animated story of banking - explains checking, saving and lending.
- 18 **JOY OF STOCKS**
- Explains how the stock market works, buying and selling stocks on wall street.
- 19 **ONE MAN BAND WENT WALL STREET**
- Take on Fred Fugue - proprietor of a one-man band, consummate showman and hard-headed businessman - add the American free enterprise system, and you come up with a rollicking and highly informative film about the stock market and the world of investing.
- 20 **MONEY**
12 minutes
- Deals with what money is, how we get it and how we make choices in the process of using it.
- 21 **LIVING WITH ENERGY**
20 minutes
- Explains that as the use of coal diminished, the country began to use more gas and oil. Describes what we must do to meet our future energy needs.
- 22 **PRICE AND THE CONSUMER**
- Introducing the law of supply and demand by comparing different markets, one in which prices are fixed with resultant gluts and shortages, and one in which prices change in response to supply and demand. This program explains how a fixed price market operates.
- 23 **PRICE AND THE PRODUCER**
- Introduces the first law of supply and demand by demonstrating how supply and demand affect price, how producers react to changing prices and what is meant by "equilibrium price".
- 24* **INCOME TAX AND YOU**
- Emphasizes the concept of voluntary compliance on which our federal income tax system is based. The key themes which are stressed are income taxes, public goods and services and withholding taxes.

25* **EVOLUTION OF OUR FEDERAL TAX SYSTEM**

Traces the evolution of our federal tax system in response to the three fundamental goals of U.S. tax policy: the raising of revenue; fairness to different income groups; and the influencing of people's behavior by encouraging certain activities and discouraging others. The key themes are historical taxation, types of taxes, Social Security and the Tax Act of 1986.

26* **MAKING FEDERAL TAX LAWS**

Describes the formal and the informal legislative procedures that lead to federal tax legislation and tax policy in our Constitutional democracy. Key themes are tax legislation process and public participation in tax process.

27* **TAXES RAISE REVENUE**

Emphasizes the basic idea that taxes are used to raise revenue and transfer resources from use by private individuals to use by various levels of government.

28* **TAXES...CAN THEY BE SHIFTED?**

Distinguishes between direct taxes and indirect taxes and points out that sometimes a tax levied on one person or group may actually be paid by others.

29* **TAXES INFLUENCE BEHAVIOR**

Illustrates how taxes and tax reductions influence people's behavior by discouraging or encouraging certain activities. Key themes are tax credits, exemptions and deductions and financial decisions.

30* **TAXES INVOLVE CONFLICTING GOALS**

Illustrates how tax policy involves a compromise of conflicting goals and indicates that people with the same income may not pay the same amount of taxes. Key themes are tax assessment, exemptions, credits, deductions and revenue loss.

31* **TAXES AFFECT DIFFERENT INCOME GROUPS**

Shows how different taxes affect different income groups. The distinction between progressive taxes, regressive taxes and proportional taxes is indicated.

- 32 **Winning the Money Game**
Money Management Institute
15 minutes
- Tells how to effectively manage income by setting goals, making choices and developing a financial plan based on personal values and individual needs. Kit includes teacher's guide, script text and three spirit masters.
- 33 **Credit-Handle With Care**
Money Management Institute
20 minutes
- Tells how to establish credit, discusses the kinds of questions asked on a credit application and explains why the cost and availability of credit vary. Kit includes teacher's guide, script text and three spirit masters.
- 34 **Go For the Gold**
Money Management Institute
18 minutes
- Introduces different financial products and services as well as investments for growth and income. Geared to the first-time investor. Kit includes teachers guide, script text and three spirit masters.
- 35 **Food Dollars and Sense**
Money Management Institute
19 minutes
- Shows six different ways to stretch food dollars. It includes information on planning purchases, shopping for and storing foods and using the latest consumer aids. Kit includes teacher's guide, script text and three spirit masters.
- 36 **Wheels, Deals and You**
Money Management Institute
19 minutes
- Discusses planning a car purchase, buying new and used cars and financing, insuring and maintaining your investment. Kit includes teacher's guide, script text and three spirit masters.
- 37 **Video Guide to Money & Markets**
29 minutes
- Wall Street Journal reporters discuss the stock market, stocks, bonds, The F

38 **Taxes..What Is Fair?**

Introduces three criteria that can be used to assess tax fairness: benefits received; ability to pay based on wealth; and ability to pay based on income.

39 **The Stock Market Crash of 1987: Causes & Effects**
New York Times 1988 23 minutes

This thorough investigation of the 1987 crash considers the complex and controversial issues involved from the perspective of a diverse range of opinions. The program examines probable causes of the crash and speculates about the crash's immediate and long-term effects.

Filmstrips

40 **Understanding Economics**

The complex world of economics is demystified in this series of six filmstrips that focus on the development of the United States' economic system and the differences between free market and socialist economies. Current information is incorporated such as, the impact of deficit spending on social programs in the United States and Mikhail Gorbachev's plans for restructuring the Soviet economy.

41 **Checking Out Checks**
Federal Reserve Bank of NY
10 minutes

Explains how checks work, who uses them and how the Federal Reserve bank processes them. Includes a teacher's guide and a comic style booklet entitled "The Story of Checks and Electronic Payments".

42 **Consumer Advertising**
Proctor & Gamble 1981
16 minutes

Looks at how advertising is practiced and discusses its role in the marketing chain that begins and ends with consumers. Also includes a teacher's manual and student worksheet.

43 **Consumer Choice**
Proctor & Gamble 1981
24 minutes

Traces the steps a company takes to bring a product to

market, stressing the importance of the consumer. Also discusses some basic economic principles of our marketing system. Includes a teacher's manual, student worksheets and marketplace simulation game.

- 44 **Be Credit Wise**
10 minutes

Explains the types of credit available and how to use credit wisely.

- 45 **Making Money Work**
Federal Reserve Bank of New York 11 minutes

Designed to introduce the Federal Reserve to students of economics, social studies and business education. The primary concepts emphasized are why money must be controlled and how the Federal Reserve accomplishes this central banking function.

- 46 **A Classroom Money Management Kit**
Scholastic Inc. 1981
15 minutes

This kit is designed to instruct the student in techniques of good money management. The materials have a broad application and can be fitted into many areas of the high school curriculum.

SECTION II: Print Curriculum Guides/Lesson Packets

- 47 **Modern Money Mechanics**
Federal Reserve Bank of Chicago 1982

A workbook on deposits, currency and bank reserves.

- 48 **The Story of Consumer Credit**
Federal Reserve Bank of New York 1980

Most of us are lenders and borrowers in the world of credit. We put our savings into financial institutions, which, in turn lend them out for many different purposes.

- 49 **The Story of Banks and Thrifts**
Federal Reserve Bank of New York 1985

Most of us view banks and thrifts as they are portrayed here...financial supermarkets servicing our individual financial needs. But they play a more important role in our economy by acting as financial intermediaries.

- 50 **Economics For Early Adolescents**
National Education Association of the U.S. and Joint
Council on Economic Education 1985

The Foundation for Teaching Economics emphasizes their current position on the importance and content of economic education for grades 7,8 and 9.

- 51 **Teaching Economics Content and Strategies**
Addison-Wesley Innovative Division 1983

The purpose of Teaching Economics is to make teachers more capable economic educators by improving their knowledge of economics and teaching strategies. To achieve this, each chapter is divided into three parts. The first part presents economics content. The second part discusses a teaching technique. The third part includes lessons that illustrate the teaching technique being used to teach the economics content.

- 52 **Forum Plus**
JC Penney 1980

One of a group of educational publications and teaching units JC Penney provides as a public service for consumer educators in their community. Visits to and discussions in communities across the United States help staff to identify trends and issues critical to consumer education.

- 53 **The American Economic System and Your Part In It**
The Advertising Council and US Dept. of Commerce 1978

This booklet was prepared following a nationwide survey involving Americans from all walks of life. The survey revealed a basic faith in our economic system. It also revealed that most of those interviewed had difficulty describing how our American economic system works and how they are involved in it. This booklet provides a quick and simple description of the American economic system. It can serve as one step in a journey to better economic understanding.

- 54 **Economic Man**
Benefic Press 1971

Book 1: Producer and Consumer. Built around the story of a sculpture, Adam Smith, who is shipwrecked alone on a mythical island. Adam works through the problem of his one-man economy in motion. Later 11 more people are shipwrecked and join him. Specialization and exchange are developed as a means to increase productivity.
Book 2: Buyer and Seller. Students are introduced to

the basic economic problem of scarcity. They learn about production and consumption behaviors, specialization and comparative advantage--all in the context of a simple, restricted, barter-and-sharing economy.

- 55 **Economics in Society: Concepts and Institutions**
Addison-Wesley 1974

Provides students with a general and universal applicable way of looking at economic problems. This perspective is useful in studying the economic characteristics and the problems of economic growth of nations.

- 56 **Choices and Changes. Choice Making. Productivity and Planning.**
JCEE 1989

Aims to develop the knowledge, reasoning skills and confidence that will empower students to take responsibility for their own futures. Students are stimulated to look at behavior as a result of choice, not chance and to understand how incentives shape people's economic behavior. It will help them predict behavior, thus building their sense of control and responsibility.

- 57 **Economic Readings For Students of 9th Grade Social Science**
Deep 1967

Economics is a way of looking at problems. Problems must be defined and analyzed before they can be solved. Economics offer tools to help do this. The first five units will introduce a few of these tools. The remaining units will concentrate on using these tools to analyze problems.

- 58 **The Big Brown Bag**
Food Marketing Institute
Food Marketing Foundation 1981

The overall goal of this material is to improve student decision-making with respect to food consumption and specifically to acquaint students with food choices available, examine food consumption and production alternatives, analyze the consequences of such choices, use economics as a tool in decision-making and provide students with an overview of our food and economic system.

- 58 **Economics Today and Tomorrow**
Harper & Roe 1984

Teacher's manual with skill worksheets and tests developed to be both readable and applicable to students' lives. A major goal is to describe for students how the American economy operates. The purpose of this real-world approach is to take economics out of the classroom and show students how it works in their daily roles as present and future employees, employers, savers, investors, consumers and citizens. Provided is a step-by-step method for learning and using decision-making skills.

- 59 **Your Credit Rights**
Federal Reserve Bank of Minneapolis 1982

Your Credit Rights was developed by the Federal Reserve Bank of Minneapolis to assist educators in teaching the topics of consumer credit and consumer credit protection.

- 60 **Insights Into Economics: Marketing and Advertising**
Proctor & Gamble 1988

Insights into Economics is a series of teaching units featuring real-life examples that show economic principles at work. The units are designed to supplement basic economic and consumer education textbooks in social studies, home economics and business education classes. Many of the activities encourage students to use problem-solving and critical thinking skills in real-life situations.

- 61 **Perspectives**
Proctor & Gamble 1985

Teaching units based on specific events or periods in history. Designed to supplement textbooks in history, government, economics and sociology classes in grades 7-12. Their objective is to give educators and students a personal glimpse of the parallel growth of our country and its business industry. Included are units on World War I, The Home Front; the Great Depression; International Operations; Industry in the late 1880's; the Civil War; World War II, A War On All Fronts.

- 62 **Economics and the Stock Market Game**
JCEE 1988

Provides the structure and framework for relating basic

economics concepts and principles to the securities industry and the stock markets. Published in cooperation with Securities Industry Association, the publication is designed for teachers in grades 5-12. The publication includes seven chapters that are organized to include focus questions, a 2-4 page narrative overview and background information on the major economic concepts and understandings addressed in each chapter, student classroom activities keyed to the focus questions, and fundamental and advanced tests.

63 Teacher's Guide to Economics

The series identifies economic concepts that have been found within the grasp of students at each grade level. It also suggests many classroom materials and activities that can be employed within the existing social studies curriculum framework.

**64 Economics, USA: A Resource Guide For Teachers (Book)
JCEE 1988**

Use the Economics USA videotape series to help instruct teachers in economics or to create a more interesting and lively environment in your introductory course. Designed to relate Economics USA series to the needs of classroom teachers who wish to incorporate the content of the series into their own classroom curricula or to be used as a guide for the introductory course.

**65 Consumer Mathematics
Harcourt Brace Jovanovich, Inc. 1971**

Two significant goals are 1) helping students become more intelligent and efficient buyers and users of the goods and services offered to the American people; and 2) helping students become more competent in the mathematics required for today's consumers.

**66 Classification of Concepts in Consumer Educations
US Office of Consumers' Education 1985**

A national study of the Consumer Education Development Program. The primary reason is to provide a basis for program and materials development and to encourage exchange of information and ideas about consumer education.

**67 Test of Economic Literacy
JCEE 1987**

The second edition of this nationally normed test comprises two equivalent test forms (A & B) and the

examiners manual. The TEL is a state-of-the-art tool for evaluating student performance and making decisions about economic instruction.

- 68 **High School Economics Courses Teaching Strategies**
Morton, Buckles, Mills, Nelson & Prehn 1985

Provides a sample outline of a one-semester high school economics course and 22 lessons designed to complement and extend textbooks and classroom instruction on the basic economic concepts. Contains a glossary, suggestions for providing students practice in applying the tools of economic analysis and decision making, guidelines for selecting instructional materials, and practical advice on evaluating student progress. Black-line masters for student handouts and an annotated bibliography of supplementary materials are also included.

- 69 **Consumer Economics Teaching Strategies**
JCEE 1989

Seventeen detailed lessons to help teachers incorporate economic concepts and decision-making processes into consumer education courses. The lessons focus on four major topics 1) decision-making and the consumer; 2) the functioning of the market; 3) effects of government actions on consumers; and 4) interrelationships among government, business and consumer decisions. Black-line masters for transparencies and student handouts and an annotated list of supplementary materials are also included.

- 70 **Basic Business and Consumer Education Teaching Strategies**
Niss, Benneke & Clow 1979

Eighteen complete lessons designed to help students develop and apply skills of economic analysis for making decisions as consumers, producers and citizens. Among the many topics dealt with are 1) decision making in the marketplace, consumer protection and credit, competition, advertising, profit, saving and investing and government regulation. Contains background information for teachers, a glossary and a bibliography of resources. Also includes black-line masters for transparencies and student handouts.

- 71 **Understanding Taxes**
IRS 1989

Materials to update "Understanding Taxes" Teacher Resource Package for teaching students about taxes in 1989. Included is IBM compatible computer software,

updated transparencies and tax forms and all necessary instructions for updates.

72

Economics: What and When

Gilliard, Caldwell, Dalgaard, Highsmith, Reinke & Watts. Contributions from Leet, Malone & Ellington 1988

Provides a recommended sequence for teaching the 22 basic economic concepts outlined in the Framework. In addition to content recommendations, also includes suggestions for assessing student learning and instructional resources organized by grade level.

73

The Story of Money

Federal Reserve Bank of New York 1984

The story of money is actually two stories in one. It is a story of how money was developed as a "medium of exchange" and a saga of our social evolution from rugged self-sufficiency to interdependence in an economy in which money plays an important role.

74

The Story of Checks and Electronic Payments

Federal Reserve Bank of New York 1983

One of the world's most valuable pieces of paper, a check. We use checks to pay most of our bills. But checks aren't the only way we make payments, electronic money has played a growing role. Let's look at how checks and electronic payments evolved, how they work and what the future holds.

75

A Framework For Teaching the Basic Concepts

JCEE 1989

Presents concise statements of the 22 economic concepts recommended for development in a K-12 program. These concepts also serve to summarize the structure of economics as understood by the majority of economists and economics educators.

76

Consumer's Resource Handbook

U.S. Office of Consumer Affairs 1988

Designed to improve the way businesses, governments and other groups respond to consumer inquiries and complaints. Its goal is to cut down on the cost and frustration both consumers and consumer affair professionals can encounter in a complex, global and sometimes imperfect marketplace. This is the 4th edition and is updated every 2 years.

77

A Curriculum Framework for Consumers' Education

Competency Building in Consumers' Education through multi-disciplinary teacher training. Divided into 4 different teacher education modules. The principle purpose is to assist curriculum leaders with the planning, development, implementation and evaluation of a multi-disciplinary consumers' education school program.

Module 1 provides an orientation to this program area and presents a generalized curriculum for the shaping of instruction and curricula outcomes.

Module 2 presents a conceptual framework drawing on major consumer and economic concepts and economic generalizations which help comprise a core of competencies for the consumer educator. These concepts and generalizations provide the basic for curriculum building.

Module 3 provides a set of experiences designed to help teachers relate the above conceptual framework to existing traditional school subjects. Several exercises are provided to help the teacher integrate the above concepts and generalizations into an existing curriculum.

Module 4 provides experiences that will enable teachers to improve their techniques for the evaluation of student performance in consumers' education.

Procedures for program evaluation are also outlined. Each of the above modules is a self-contained product intended for teachers to complete at their own rate.

78

A Survey of State Mandates for Economic Instruction 1985-86 JCEE 1986

The purpose of this project was to update a survey conducted in 1981 to determine the existence of mandates for instruction in economics, free enterprise and/or consumer education at the elementary and secondary school levels within the 50 states.

79

Consumer's Resource Handbook U.S. Office of Consumer Affairs 1986

This handbook is an informational and educational tool to help you do three things: (1) communicate more efficiently with those who provide products and services you buy; (2) locate sources of help and; (3) resolve your complaints in the most effective manner.

80

The Consumer's World McGraw-Hill Book Company 1979

Offers carefully chosen opportunities to test attitudes

and values while you explore a variety of consumer problems and issues. The activities involve situations similar to those that confront consumers and which challenge the ability to be an involved consumer.

- 81 **Building a Better Credit Report**
U.S. Office of Consumer Affairs 1988

This booklet explains how credit bureaus work and how to use them to conduct your own credit check-up. It tells you how to understand your credit report, ways to improve your credit and deal with mounting bills.

- 82 **Consumer Education Sourcebook**
Social Science Education Consortium, Inc. 1980

A sourcebook to assist teachers of consumer education. A major component of the book is an annotated list of student and teacher materials. Also provided are curriculum models, examples of classroom strategies, suggestions for using community resources and a selected list of agencies and periodicals that serve consumers.

- 83 **Consumer Education Learning Activities**
Social Science Education Consortium 1980

Presents strategies which provide students with consumer education experiences through inquiry and process oriented lessons. The emphasis is on practicing such consumer skills as questioning and decision-making.

- 84 **Managing Independent Living**
University of Minnesota 1980

The goal is to help adults successfully assume responsibility for making and carrying out practical decisions associated with establishing and maintaining an independent living situation, targeted at incarcerated female offenders.

- 85 **A Guide for Evaluating Consumer Education Program Materials**
American Home Economics Association

A guide in evaluating consumer education programs and materials. It can be an aid for both those who develop and those who use such programs and materials, in the classroom or for other education purposes.

- 86 **Consumerism in The Eighties**
Atlantic Richfield Company 1983
- A look at American Public opinion on consumerism based on a national survey. Included is a discussion of government involvement and public support, credit in our society, health care and the overall organization of the consumer movement.
- 87 **Life and Health Insurance: A Teaching Manual**
American Council of Life Insurance 1986
- A compilation of life and health insurance information and a broad range of insurance skill activities for students in order to introduce young adults to insurance and personal financial planning. The manual is designed for use as a one- to two-week mini-course within a curriculum.
- 88 **Money Management Living**
Money Management Institute 1975
- Materials to educate consumers in areas of personal and family finance. These are a set of booklets covering such purchase decisions as automobile, home furnishing, housing, clothing, appliances, food, credit use and financial planning.
- 89 **Teaching About Credit: Activities for Secondary Classes**
Board of Governors of The Federal Reserve System 1986
- This unit is intended to provide teachers with classroom activities for teaching about credit. Activity pages give students the opportunity to consider many decisions consumers must make when they use credit. In addition students will learn about consumer rights and responsibilities.
- 90 **Decisions About Product Safety**
Proctor & Gamble Educational Services 1990
- A program to demonstrate the complexities of the decision-making process in product development as it relates to product safety.
- 91 **Teaching About The Consumer and The Global Marketplace**
Center for Teaching International Relations 1985
- Consumer-oriented curriculum materials related to the international economic system and designed to provide students with adequate knowledge and skill to understand the issues and problems that face them as consumers.

92 **Skills For Consumer Success**
South-Western 1987

A workbook designed for high school students to learn important skills for consumer success. Students will learn to fill out job, loan and credit card applications, write checks, balance a check book, shop for a car and interpret a lease agreement for an apartment.

93 **Consumer Law**
South-Western 1988

Shows the development from judge-made law to government regulation of consumer practices. Tracing this development will help students understand the law's capacity to respond to consumer problems.

94 **Family Financial Management**
South-Western 1990

The basic principles of sound family financial management are presented as they apply to single persons, single parents, established families and retired couples.

95 **Economics and Entrepreneurship**
JCEE 1991

Consists of 17 complete and self-contained lessons, each focusing on economic concepts that are essential to an understanding of entrepreneurship and its role in the American economy. Also provided are instructional practices that foster entrepreneurial behavior on the part of students.

96 **Capstone: The Nation's High School Economics Course**
JCEE 1989

A model one-semester high school economics course designed for 11th and 12th grade students. The main purpose is to improve student understanding of economics by raising their interest in economic issues and by teaching them to reason carefully about economic activity.

97 **Using The Newspaper With Gifted Students**
ANPA Foundation 1987

This publication is designed for secondary students in gifted education programs. The newspaper is emphasized as a resource for the development of curriculum because it is readily available, current in its focus and has flexible and varied applications.

- 98 **Geography in The Newspaper**
CJHatcher & Associates, Inc. 1989

The newspaper is emphasized as a geography textbook supplement and a tool to interest students in "real life" concerns as they relate to geography.

- 99 **Special Education and Cooperative Learning**
CJHatcher & Associates, Inc. 1990

These lessons reinforce many fundamental skills and provide examples of skills that may be taught using the newspaper. The activities are designed for students who have experienced difficulty in learning from methods and materials previously used.

- 100 **Reading Realities**
News Relief, Inc. 1989

This guide is organized to address the different sections of the newspaper while stressing a variety of reading and writing skills and concepts. It is designed for use with students in grades 4-12 and in adult literacy programs.

- 101 **The Story of Inflation**
Federal Reserve Bank of New York 1981

Of all economic ills, inflation can be the most damaging because it victimizes all of us in some way and may be the most difficult to end because its roots are so deeply entwined in our economic and political system.

- 102 **Close Encounters of The Comic Kind**
The Kansas City Star Company 1986

A plan for using comic strips as an instructional resource primarily because they are a very real part of the student's culture and mirror the issues and events of our daily lives. The activities encourage students to read comics and find the real-life application of its point.

- 103 **Survival Skills For The Student At Risk**
CJHatcher & Associates, Inc.

A plan for interesting students in their education, targeted at those in danger of failing to complete their education with an adequate level of skills. The concept behind this plan is that student interest is heightened if lessons relate to what students see as real-life concerns. This plan is implemented by using the newspaper as a curriculum resource.

- 104 **Education: Your Best Investment**
Citizens Scholarship Foundation of America
- Provides information useful to planning for the future. The activities are designed to help develop skills for planning and moving toward educational and employment goals.
- 105 **Young and Healthy**
Minneapolis Star Tribune 1989
- An educational supplement designed to help students make healthy decisions leading to a lifetime of good health. Discusses facts about nutrition, exercise and the options available in making responsible choices in both areas.
- 106 **It's The Law**
Minneapolis Star Tribune 1990
- This curriculum is designed to use the newspaper to teach students about the principles on which our society is based. Students take an active part in their own learning through simulation of real life current events, active critical thinking and problem solving. The lessons are organized around particular issues that usually appear in the newspaper.
- 107 **Cooperative Discipline**
American Guidance Service, Inc. 1989
- A guide for teachers to develop schools and classrooms where students enjoy learning and teachers look forward to going to work each day. This goal is sought through positive discipline techniques and cooperation between teachers, students and parents.
- 108 **LifeSchool: Occupational Knowledge and Interpersonal Relations**
Fearon Education 1981
- LifeSchool provides the teacher with nearly everything needed to teach essential daily life skills to a beginning level adult class the may include ESL students as well as native speakers reading and functioning at low levels.
- 109 **Food & Nutrition**
Janus Books 1986
- A set of three workbooks presenting the basics of food preparation and choosing healthy food.

- 110 **Clothing**
Janus Books 1987
- Two workbooks presenting the basics of selecting, buying and caring for clothes as well as an introduction to sewing.
- 111 **Job Interview PracticePak**
Janus Books 1989
- Designed as a tool for teachers who want to help novice job seekers prepare for effective interviews. Materials and procedures are provided that allow students to simulate interviews for over 30 positions.
- 112 **Consumer Skills**
Fearon Publishers 1985
- Presents helpful facts and hints for consumers to learn when to shop, where to shop and how to get the best value for their money.
- 113 **A Guide to 85 Tests for Special Education**
Fearon Publishers 1990
- A description and analysis of various types of standardized assessment tests. The purpose is to enable teachers to understand and interpret test performance based on knowledge of the tests format, strengths and limitations. Secondly, the guide provides basic information about major tests available in each skill area to assist in the planning of a testing program.
- 114 **Pacemaker Vocational Readers**
David S. Lake Publishers 1976
- Designed for secondary school students who have severe reading disabilities. The books outline how to obtain and maintain a job, highlighting areas where special needs students can function successfully.
- 115 **The Career Readers**
Fearon Education 1986
- Designed for secondary school, adult basic education and ESL students who read at or near the second-grade level. The Career Readers encourage students to explore careers that may be available for poor readers, develop students' reading abilities and deepen the students' insights and understanding about the world of work.

- 116 **Careers: Exploration & Decision**
Fearon Publishers 1986
- Helps students explore the world of work, the process of making a career and the evaluation of occupations. Specific advice is presented on finding a job and making a living.
- 117 **How To Look Good To An Employer**
Fearon Publishers 1987
- Provides advice and suggestions for looking for a job, the usefulness of a resume, what to expect in an interview and finding job leads.
- 118 **Budget and Spending Skills 1 & 2**
Quercus Corporation 1987
- Book 1: Activity book and text to help students become more aware of their roles, rights and responsibilities as consumers, know specific consumer skills relevant to teenagers, know vocabulary necessary for consumer decision-making and become aware of certain resources available to help consumers.
Book 2: Helps students develop the skills of budgeting their income, comparison shopping for banks, loans, housing and other goods and services and planning for goals and education.
- 119 **The Intelligent Consumer**
E.P. Dutton & Company 1973
- This witty, down-to-earth guide deals with two pressing problems: environmental pollution and the rising cost of living. Two important questions are answered in great detail: How does the wise shopper buy? What products should be avoided? in relation to choosing an automobile, house, garden supplies, clothes and vacations.
- 120 **The Stock Market**
Silver Burdett Press 1990
- A young investor's guide to how the market works. Students will learn to pick a broker, make sense of the financial pages, choose winning stocks, start an investment club or get a job in the stock market.
- 121 **For The People - A Consumer Action Handbook**
Addison-Wesley Publishing Company 1977
- A collection of consumer action project guides that give the active consumer some effective tools to take on consumer injustice and make a difference.

- 122 **How To Use Consumer Credit Wisely**
International Credit Association 1989
- Learn about the types of credit available, how to qualify for credit, how to build a good credit report and where to go for help if you cannot meet your credit obligations. Find out what federal laws and regulations protect you as a credit purchaser.
- 123 **Comprehensive Credit Manual**
International Credit Association 1986
- A detailed description of the credit industry, organized around the credit model which includes the general credit environment, the mission, organization and operations of credit institutions, credit reporting and consumer credit counseling services.
- 124 **The Stock Market Game Guide**
Securities Industry Foundation for Economic Education, Inc. 1990
- The guide consists of 18 lessons for middle school students who are playing the SMG. The lessons give students a broad understanding of a newspaper's financial pages, the benefits of voluntary exchange, the organization and importance of the market for stocks and other economic concepts underlying the SMG.
- 125 **Credit: Tool or Trap**
NBD Bancorp, Inc. 1989
- A video discussion guide that explains the basic facts about credit selection and use, identifies common credit problems, discusses the importance of a good credit rating, looks at options if you cannot pay your bills and describes the costs and benefits of bankruptcy. The video is divided into five 8-10 minute segments designed as discussion starters.
- 126 **Concepts, Key Ideas & Lessons for the Stock Market Game**
Delaware Center for Economic Education
University of Delaware 1987
- A compilation of lessons, readings and audio-visual materials that could be beneficial to teachers and students playing the Stock Market Game.
- 127 **The Stock Market Game Teacher Training Manual. A Guide For Workshops**
Securities Industry Foundation For Economic Education
- This guide presents economic concepts and develops reasoning skills that are an integral part of the

simulation. In addition, methods of financial research and analysis are presented as they apply to the SMG. The Guide is organized for flexible workshops.

128

Consumer Approach to Investing
Michigan Consumer Education Center
Eastern Michigan University 1988

A teaching guide designed to help students learn how to avoid investment fraud, to find and use reliable investment information and to make sound investment decisions throughout life.

129

High School Financial Planning Program
The College for Financial Planning

A program to introduce high school students to basic concepts of financial planning: What it is, what it can do for them. The program includes instructor aides, student handouts, exercises and quizzes and exams.

130

Consumer's Resource Handbook
Government Printing Office 1990

Offers hints on how to get the most for your money as well as listings of state, local and federal government agencies that offer help with consumer questions and problems.

131

Financial Terminology
The National Cash Register Company 1973

The definitions in this glossary cover the common expressions used in daily financial work and many special terms.

132

Economics 1 & 2
Quercus Publishers 1989

Book 1: Introduces basic concepts and vocabulary of economics. Such concepts as supply and demand, specialization, division of labor and the money supply are explained in an understandable way and made relevant with concrete examples.

Book 2: Emphasizes the interaction among the various components of the U.S. economic system: business, consumers, citizens, labor, government and trading countries.

133

Get That Job
Globe Book Company 1989

Describes the basic steps necessary to be eligible to

work, find the right job, apply and keys to landing a job that is right for a particular student.

134

The Way to Work
Globe Books 1989

A step-by-step illustration of the decision-making process needed prior to tackling any job or task. Various specific jobs and tasks are highlighted.

135

Attitudes for Work
Fearon Education 1987

A look at attitudes and habits that make for happy and successful work environments.

136

Finding A Job
Fearon Education 1983

A book designed to help students find a job, land a job and decide if a job is right for them.

137

Keeping A Job
Fearon Education 1983

Deals with how to do a job, how to deal with people and how to solve problems. Provides students with the basic concepts and skills needed to maintain employment.

138

Forms
David S. Lake Publishers 1983

A discussion of forms people fill out throughout a lifetime. Vocabulary and questions found on most forms are discussed fully and common forms are simulated and explained.

139

Budgeting
David S. Lake Publishers 1983

A practical book for students to learn the basics of money management, responsible buying and evaluation of current spending and spending goals.

140

Checking Account
David S. Lake Publishers 1983

A step-by-step discussion of a checking account from opening an account to balancing a checkbook and dealing with errors.

- 141 **Life Centered Career Education: A Competency Based Approach**
The Council for Exceptional Children 1989
- A curriculum guide providing a framework for teachers to build a comprehensive and systematic plan for career development for special education students. Specifically, daily living and personal, social and occupational skills are stressed.
- 142 **Career Awareness Plus**
Janus Book Publishers 1983
- The CAP series describes typical entry-level jobs and teaches vocabulary commonly used on those jobs. It also helps students make career choices and suggests some ways they can find jobs. The jobs highlighted in this series are hospital, hotel/motel, store and restaurant operations.
- 143 **Employability Skills Program**
Janus Books 1990
- Materials for use by students with mild learning handicaps and/or limited English proficiency. Consists of 6 booklets which discuss how to find, obtain and maintain a job and issues related to having a job.
- 144 **Survival Guide**
Fearon/Janus/Quercus Publishers 1978
- This set of workbooks is designed for students or adults with reading disabilities. Each workbook is a guide to mastering daily, lifelong skills such as reading schedules, the phone book, want ads, getting transportation and the basics of First Aid.
- 145 **Practical Arithmetic**
Fearon Education 1989
- This series of 5 worktexts are designed to make arithmetic more relevant to students' daily lives. The exercises have been planned to build skills slowly and in the early books, they rely heavily on repetition.
- 146 **On Your Own**
Janus Book Publishers 1981
- This series of 4 workbooks is designed to help secondary special-needs students prepare for their future as adults. The focus of each book is on a facet of independent life such as sharing an apartment, caring for a car or getting help within the community.

- 153 **Putting It in Paragraphs**
Contemporary Books 1985
- A guide for ABE and GED learners to master the process of building paragraphs that lead to writing good essays.
- 154 **Life Skills Writing**
Contemporary Books 1990
- An exercise book for ABE and GED learners to compose effectively for practical, business, and personal situations.
- 155 **LifeScenes: Reading and Writing Comprehension**
LifeSkills: Developing Consumer Competence
Contemporary Books 1990
- A two-book program that integrates reading with writing while fostering critical thinking skills. This curriculum guide will help students develop critical reading, writing and fundamental consumer math skills all in the setting of high-interest plots that chronicle the up and down lives of adult and older adolescent characters.
- 156 **Real Numbers: Developing Thinking Skills in Math**
Contemporary Books 1991
- A set of 6 slow-paced worktexts which help students master valuable math skills in the areas of estimation, charts and graphs, data interpretation, measurement, algebra basics and geometry basics.
- 157 **Number Sense**
Contemporary Books 1990
- A set of 10 worktexts designed to help students discover and master key concepts of math. These are meant as the preliminary learning needed in math before a student can master the full scope of math curriculum.
- 158 **Number Power: The Real World of Math**
Contemporary Books 1988-91
- A set of 8 worktexts that cover the full scope of the basic math curriculum beginning with addition and covering algebra, geometry, graphs, word problems, problem solving and more.
- 159 **Planning A Social Studies Program**
Social Studies Education Consortium 1991
- This planning book is designed primarily for use

with groups working on social studies curriculum change within a school or school district. Guidelines are set down for the preparation, development, implementation and maintenance of change.

160

Personal Finance Resource
Michigan Consumer Education Center
Eastern Michigan University

A selected list of books, films, media kits, videos and software dealing with personal financial management.

161

Consumer Behavior: Developing Skills For Assertiveness
Michigan Consumer Education Center
Eastern Michigan University 1978

Major segments of the module are devoted to the definition of assertiveness, self-assessment procedures, communication skills training, and the development of a step-by-step process toward being assertive in consumer situations.

162

Simulations in Consumer Economics Classrooms
Michigan Consumer Education Center
Eastern Michigan University 1978

Consumer education objectives can be learned in a realistic, relevant and exciting manner with this simulation approach to teaching.

163

Reading Strategies For Improving Comprehension in Consumer and Economic Content Areas
Michigan Consumer Education Center
Eastern Michigan University 1984

This manual provides information for teachers on ways to apply reading comprehension strategies using current consumer and economic concepts.

164

International Trade Teaching Strategies
JCEE 1988

Concentrates on the areas of world trade, global economics and economic reasoning. These lessons can be used to supplement units on economic problems, global issues, world trade issues or to add an international dimension to traditional economic courses.

165

Consumers of the 90s
Minnesota Attorney General 1991

A teacher's guide for helping students become "consumer literate". Includes case studies and student handouts.

- 166 **Consumer Math**
Steck-Vaughn Company 1990
- Prepares secondary and GED students for the many real-life situations involving mathematical reasoning.
- 167 **Finding A Job**
Steck-Vaughn 1990
- Addresses employability competencies and employer expectations. Numerous sample application forms provide practical practice.
- 168 **Everyday People**
Steck-Vaughn 1990
- Deals with real-life situations adult students may encounter, such as landlord problems and elderly care. Students learn how to cope with real-life matters.
- 169 **Consumer Issues**
Steck-Vaughn 1990
- Relates typical family economic competencies. Students learn practical skills to improve their personal situations. Practice exercises include completing applications for library cards, social security cards and other forms.
- 170 **How to Get a Job and Keep It**
Steck-Vaughn 1990
- This valuable resource includes practical information and practice for obtaining and holding a job. It covers the preliminary steps through advanced levels.
- 171 **Building Success in the Workplace**
Steck-Vaughn 1990
- Twenty stories illustrate employee pitfalls, such as slow customer service and excessive talking.

Text Books

- 172 **Consumer Mathematics**
Addison-Wesley 1989
- Provides a complete instructional package for teachers who want their student to review and practice basic computation skills, learn to apply problem solving and critical thinking skills to consumer issues, and choose effective and efficient methods of calculation.

- 173 **Street Law**
West Educational Publishing 1990
- A law-related education text which gives students a practical understanding of law and the legal system.
- 174 **Geography: Our Changing World**
West Education Publishing 1990
- This text deals with two great challenges we face, providing for people and preserving our planet. The major themes of geography: location, place, people, environment, movement and region are all covered.
- 175 **Decisions**
EMC Publishing 1991
- This text focuses on decision making and critical thinking. Students will learn the principles and applications of personal business management.
- 176 **Economics**
Addison-Wesley 1988
- A traditional approach to teaching economics. Both macro- and micro-economic principles such as the free marketplace, international issues, consumer economics and the role of government are covered.
- 177 **Working Today and Tomorrow**
EMC Publishing 1991
- This textbook provides approaches to planning and decision making that high school students can use in their roles as workers, consumers and citizens. It includes a text and student workbook.
- 178 **The Law and Economics**
Lerner Publishing Company 1990
- Economic Law in the United States is examined in this concise, easy-to-read book. Contracts, consumer fraud schemes, consumer protection laws, warranties and credit are the main focus of discussion.
- 179 **Economics and The Consumer**
Lerner Publishing Company 1990
- Discusses the role of the consumer in the modern economic system, probing such aspects as consumer education, decisions, technology and credit.

- 180 **Dollars and Sense**
South-Western Publishing Company
- The main objective is to help students become mathematically literate and self-confident at the same time giving them a look into their roles as consumers in the American Society
- 181 **Consumers in the Economy**
South-Western Publishing Company
- Decision-making, resource management, money management and citizen participation are the skills taught to help students become competent consumers, aware of their values, establish priorities and act efficiently in the marketplace.
- 182 **Economic Decisions For Consumers**
Wadsworth Publishing Company 1983
- Suggests ways for consumers to improve their economic situation in relation to earnings, spending and goals in the face of high interest rates, unemployment and inflation. Includes text, study guide and instructor's manual.
- 183 **Economics: Free Enterprise in Action**
Harcourt, Brace, Jovanovich, Inc. 1988
- Provides teachers and students with a comprehensive study of the basic concepts, principles and practices of economics. The set includes text, workbook, tests, teachers manual, a resource guide which has chapter and atlas transparencies, an audiocassette of selections from NPR's new program, "All Things Considered" and a booklet of additional readings relevant to free enterprise.
- 184 **Consumer Economics**
South-Western Publishing Company 1988
- An overview of the roles of the individual, business, government and foreign trade in the American economy. The individual economic roles of earning income, consuming and performing as a citizen are carefully examined.
- 185 **Managing Your Personal Finances**
South-Western Publishing Company 1990
- An approach to the study of personal finance and consumer economics focusing on the student's role as citizen, student, family member, consumer and active participant in the work and business world.

- 186 **Consumers Make Economic Decisions**
South-Western Publishing Company 1990
- This book is designed to help young people develop consumer attitudes that they will use as they face economic decisions throughout life. Easy reading and easy math allow students to experience the joy of learning new consumer skills without being challenged beyond their ability to read and compute.
- 187 **Practical English**
Fearon Publishers 1990
- A unique textbook alternative for students who find traditional textbooks beyond their reach. English is presented in short segments, each dealing with practical applications of language and the skills and information necessary to use English effectively in a particular situation.
- 188 **Practical Mathematics**
Fearon Publishers 1990
- A unique textbook alternative for students who find traditional textbooks beyond their reach. Mathematics is presented in small segments, each dealing with the mathematics and corresponding decisions of everyday life.
- 189 **The Confident Consumer**
Goodheart-Willcox 1990
- This text will help students identify and manage their resources to achieve economic goals. Students are shown how to make wise decisions about food, clothing, transportation, housing, credit, savings, insurance and investments.
- 190 **Introduction to Business**
West Educational Publishing 1991
- A general business text that takes a lively and personal approach to presenting the business world to high school students.
- 191 **Office Skills for the 1990s: The Finishing Touch**
West Educational Publishing 1991
- A practical and easy-to-understand office procedures text that focuses on skills, attitudes and careers.

SECTION III: Computer Software

- 192 **South Dakota: An Economics and Mathematics Simulation**
Social studies School Service 1984

The principles of supply and demand are vividly illustrated in this entertaining simulation of a free market economy. Acting as independent grain farmers in the bread-basket of the U.S., students try to maintain their farms for ten years and make a profit.

- 193 **Checkbook**
Social Studies School Service 1988

Emphasizing the necessity of budgeting personal finances, this simulation requires students to write checks for true-to-life financial situations, balance a checkbook and maintain a checking account.

- 194 **Consumers and The Law**
Social Studies School Service 1987

An interactive, three-disk tutorial program that gives students practice with consumer law concepts. Featuring case studies of actual consumer problems, the program covers such topics as sales contracts, legal protection for consumers, warranty protections and consumer decision-making. Also included is a text booklet to reinforce and extend the material covered in the software.